

EXHIBIT 5 (Part 1)

Deposition of William McCollum

Dated 11/12-13/2019

Deposition Exhibits

10, 37, 42, 43, 45, 48, 49, 60, 65, 67, 73-82

William McCollum**11/12/2019**

Pages 1 to 4

Page 1	Page 3
<p>1 IN THE UNITED STATES DISTRICT COURT NORTHERN</p> <p>2 DISTRICT OF ALABAMA, NORTHEASTERN DIVISION</p> <p>3</p> <p>4 CIVIL ACTION NO. 5:18-CV-01983-LCB</p> <p>5</p> <p>6 NUCLEAR DEVELOPMENT, LLC,</p> <p>7 Plaintiff,</p> <p>8 vs.</p> <p>9 TENNESSEE VALLEY AUTHORITY,</p> <p>10 Defendant.</p> <p>11</p> <p>12 VIDEO DEPOSITION OF WILLIAM R. MCCOLLUM, JR.</p> <p>13 Bradley Arant Boulton Cummings, LLP</p> <p>14 One Federal Place</p> <p>15 1819 Fifth Avenue North</p> <p>16 Birmingham, Alabama 35203</p> <p>17 November 12, 2019</p> <p>18</p> <p>19 REPORTED BY:</p> <p>20 Gail B. Pritchett</p> <p>21 Certified Realtime Reporter,</p> <p>22 Registered Professional</p> <p>23 Reporter and Notary Public</p>	<p>1 A P P E A R A N C E S (continuing)</p> <p>2</p> <p>3 FOR THE DEFENDANT:</p> <p>4 Mr. Matthew H. Lembke</p> <p>5 Attorney at Law</p> <p>6 Bradley Arant Boulton Cummings, LLP</p> <p>7 One Federal Place</p> <p>8 1819 Fifth Avenue North</p> <p>9 Birmingham, Alabama 35203</p> <p>10 205.251.8000</p> <p>11 mlembke@bradley.com</p> <p>12 - and -</p> <p>13 Messrs. David D. Ayliffe</p> <p>14 and Steven C. Chin</p> <p>15 Office of the General Counsel</p> <p>16 Tennessee Valley Authority</p> <p>17 400 West Summit Hill Drive, WT6</p> <p>18 Knoxville, Tennessee 37902</p> <p>19 865.632.3052</p> <p>20 ddayliffe@tva.gov</p> <p>21 scchin@tva.gov</p> <p>22</p> <p>23</p>
Page 2	Page 4
<p>1 A P P E A R A N C E S</p> <p>2</p> <p>3 FOR THE PLAINTIFF:</p> <p>4 Mr. Caine O'Rear III</p> <p>5 Attorney at Law</p> <p>6 Hand Arendall, LLC</p> <p>7 RSA Tower</p> <p>8 11 North Water Street</p> <p>9 Suite 30200</p> <p>10 Mobile, Alabama 36602</p> <p>11 251.432.5511</p> <p>12 corear@handarendall.com</p> <p>13 - and -</p> <p>14 Mr. Larry David Blust</p> <p>15 Attorney at Law</p> <p>16 Hughes Socol Piers Resnick Dym, LTD</p> <p>17 70 West Madison Street, Suite 4000</p> <p>18 Chicago, Illinois 60602</p> <p>19 312.580.0100</p> <p>20 lblust@hsplegal.com</p> <p>21</p> <p>22</p> <p>23</p>	<p>1 A P P E A R A N C E S (continuing)</p> <p>2</p> <p>3 THE VIDEOGRAPHER:</p> <p>4 Ms. Shannon Campbell</p> <p>5 Courtroom Technologies, Inc.</p> <p>6 brad@crtrialtech.com</p> <p>7 205.790.5841</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p>

William McCollum**11/12/2019**

Pages 5 to 8

<p style="text-align: right;">Page 5</p> <p>1 INDEX OF EXAMINATION</p> <p>2 Page:</p> <p>3 EXAMINATION BY MR. LEMBKE 9</p> <p>4</p> <p>5</p> <p>6 INDEX OF EXHIBITS</p> <p>7 Page:</p> <p>8 Exhibit Number 73 - Resume 11</p> <p>9</p> <p>10</p> <p>11 INDEX OF PREVIOUSLY MARKED EXHIBITS</p> <p>12 Page:</p> <p>13 Exhibit Number 42 - 8/18/16 email 60</p> <p>14 from L. Blust to C. O'Neill, ND4966-</p> <p>15 ND4967</p> <p>16 Exhibit Number 43 - 9/9/16 email 75</p> <p>17 with Indicative Bid, ND5048-ND5056</p> <p>18 Exhibit Number 45 - 10/2016 email 76</p> <p>19 thread, Subject: P&S Contract Draft,</p> <p>20 ND5152-ND5154</p> <p>21</p> <p>22</p> <p>23</p>	<p style="text-align: right;">Page 7</p> <p>1 I, Gail B. Pritchett, a Certified</p> <p>2 Realtime Reporter and Registered Professional</p> <p>3 Reporter of Birmingham, Alabama, and a Notary</p> <p>4 Public for the State of Alabama at Large,</p> <p>5 acting as Commissioner, certify that on this</p> <p>6 date, as provided by the Federal Rules of Civil</p> <p>7 Procedure of the United States District Court,</p> <p>8 and the foregoing stipulation of counsel, there</p> <p>9 came before me at the offices of Bradley Arant</p> <p>10 Boulton Cummings, LLP, One Federal Place,</p> <p>11 1819 Fifth Avenue North, Birmingham, Alabama</p> <p>12 35203, on the 12th day of November, 2019,</p> <p>13 commencing at 3:35 p.m., WILLIAM R. MCCOLLUM,</p> <p>14 JR., witness in the above cause, for oral</p> <p>15 examination, whereupon the following</p> <p>16 proceedings were had:</p> <p>17</p> <p>18 THE VIDEOGRAPHER: This marks the</p> <p>19 beginning of the videotape deposition of</p> <p>20 William R. McCollum in the matter of Nuclear</p> <p>21 Development, LLC, plaintiff, versus Tennessee</p> <p>22 Valley Authority, defendant, filed in the</p> <p>23 United States District Court for the Northern</p>
<p style="text-align: right;">Page 6</p> <p>1 STIPULATION</p> <p>2 IT IS STIPULATED AND AGREED, by</p> <p>3 and between the parties, through their</p> <p>4 respective counsel, that the deposition of</p> <p>5 WILLIAM R. MCCOLLUM, JR. may be taken before</p> <p>6 Gail B. Pritchett, Commissioner, Certified</p> <p>7 Realtime Reporter, Registered Professional</p> <p>8 Reporter and Notary Public;</p> <p>9 That the signature to and reading</p> <p>10 of the deposition by the witness is waived, the</p> <p>11 deposition to have the same force and effect as</p> <p>12 if full compliance had been had with all laws</p> <p>13 and rules of Court relating to the taking of</p> <p>14 depositions;</p> <p>15 That it shall not be necessary for</p> <p>16 any objections to be made by counsel to any</p> <p>17 questions, except as to form or leading</p> <p>18 questions, and that counsel for the parties may</p> <p>19 make objections and assign grounds at the time</p> <p>20 of trial, or at the time said deposition is</p> <p>21 offered in evidence, or prior thereto.</p> <p>22</p> <p>23</p>	<p style="text-align: right;">Page 8</p> <p>1 District of Alabama, Northeastern Division,</p> <p>2 Case Number 5:18-CV-01983-LCB. Today's date is</p> <p>3 November the 12th, 2019. The time is now 3:35</p> <p>4 p.m.</p> <p>5 Will counsel please state who you</p> <p>6 are and who you represent.</p> <p>7 MR. LEMBKE: Matt Lembke for</p> <p>8 defendant TVA.</p> <p>9 MR. AYLIFFE: David Ayliffe for</p> <p>10 defendant TVA.</p> <p>11 MR. CHIN: Steve Chin for</p> <p>12 defendant TVA.</p> <p>13 MR. O'REAR: Caine O'Rear for</p> <p>14 plaintiff Nuclear Development.</p> <p>15 MR. BLUST: Larry Blust for</p> <p>16 plaintiff Nuclear Development.</p> <p>17</p> <p>18 WILLIAM R. MCCOLLUM, JR.</p> <p>19 having been first duly sworn, was examined and</p> <p>20 testified as follows:</p> <p>21</p> <p>22 THE COURT REPORTER: Usual</p> <p>23 stipulations?</p>

William McCollum**11/12/2019**

Pages 9 to 12

Page 9	Page 11
<p>1 MR. O'REAR: That's fine.</p> <p>2 MR. LEMBKE: Fine.</p> <p>3</p> <p>4 EXAMINATION BY MR. LEMBKE:</p> <p>5 Q. Will you state your name for the</p> <p>6 record?</p> <p>7 A. William Ralph McCollum, Jr.</p> <p>8 Q. Mr. McCollum, my name is Matt</p> <p>9 Lembke, we were introduced a few minutes ago,</p> <p>10 and I represent TVA in this lawsuit brought by</p> <p>11 it in Huntsville, Alabama in Federal Court by</p> <p>12 Nuclear Development.</p> <p>13 Have you ever given a deposition</p> <p>14 before?</p> <p>15 A. Yes.</p> <p>16 Q. All right. So you know I am going</p> <p>17 to ask you a series of questions and you have</p> <p>18 been placed under oath, so you need to answer</p> <p>19 them to the best of your ability. If at any</p> <p>20 time you don't understand a question or need me</p> <p>21 to repeat it, just let me know and I will be</p> <p>22 happy to do it; otherwise I will assume you</p> <p>23 understand the question, okay?</p>	<p>1 going to mark as Exhibit 73.</p> <p>2 (Exhibit Number 73 was marked for</p> <p>3 identification.)</p> <p>4 A. (Reviewing document.)</p> <p>5 Q. Do you recognize this document,</p> <p>6 Mr. McCollum?</p> <p>7 A. Yes.</p> <p>8 Q. What is it?</p> <p>9 A. It's a resume.</p> <p>10 Q. All right. And I will represent</p> <p>11 this resume was attached to the application</p> <p>12 that was submitted to the NRC last November of</p> <p>13 2018 by Nuclear Development.</p> <p>14 This says you have got a BS in</p> <p>15 electrical engineering at Georgia Tech, is that</p> <p>16 right?</p> <p>17 A. That's correct.</p> <p>18 Q. What year was that?</p> <p>19 A. 1973.</p> <p>20 Q. And then you obtained an MS in</p> <p>21 nuclear engineering from Georgia Tech?</p> <p>22 A. Yes.</p> <p>23 Q. And what year was that?</p>
Page 10	Page 12
<p>1 A. Okay.</p> <p>2 Q. If at any point you need to take a</p> <p>3 break, as soon as we resolve the pending</p> <p>4 question, I will be happy to let you have as</p> <p>5 many breaks as you need. And if -- as you</p> <p>6 know, the court reporter is taking down</p> <p>7 everything you say. So if you say uh-huh or</p> <p>8 uh-uh, I am apt to say is that a yes or is that</p> <p>9 a no, not to be rude or difficult, but just</p> <p>10 because we need to make sure it is clear on the</p> <p>11 record, okay?</p> <p>12 A. Okay.</p> <p>13 Q. All right. What is your home</p> <p>14 address?</p> <p>15 A. 44 Beekeeper Trail, Swannanoa,</p> <p>16 North Carolina 28778.</p> <p>17 Q. And what part of North Carolina is</p> <p>18 that in?</p> <p>19 A. It's just to the east of Ashville.</p> <p>20 Q. And do you have a business address</p> <p>21 different from that?</p> <p>22 A. No.</p> <p>23 Q. And let me show you what I am</p>	<p>1 A. 1974.</p> <p>2 Q. All right. And then you obtained</p> <p>3 an MBA from UNC Charlotte?</p> <p>4 A. Yes.</p> <p>5 Q. What year was that?</p> <p>6 A. 1983.</p> <p>7 Q. All right. Beginning with your</p> <p>8 graduation from college, where have you worked?</p> <p>9 A. After I graduated from college, I</p> <p>10 took a job with Duke Power Company at the</p> <p>11 Oconee Nuclear Station, and I worked for Duke</p> <p>12 Power Company in varying roles from September</p> <p>13 1974 until I retired from Duke in April 2007.</p> <p>14 Q. All right. And on your resume you</p> <p>15 list between September of '74 and March of '87</p> <p>16 that you held various roles in engineering</p> <p>17 operations and project management with the</p> <p>18 nuclear generation function of Duke Power</p> <p>19 Company, is that right?</p> <p>20 A. That's correct.</p> <p>21 Q. All right. And in that role --</p> <p>22 well, let's go, then, through -- then from</p> <p>23 March of '87 to 1/1/89, you were superintendent</p>

William McCollum**11/12/2019**

Pages 13 to 16

Page 13	Page 15
<p>1 of station services at the Catawba Nuclear</p> <p>2 Station for Duke Power?</p> <p>3 A. That's correct.</p> <p>4 Q. And what did you do in that role?</p> <p>5 A. I was responsible for human</p> <p>6 resources, nuclear security, nuclear training,</p> <p>7 and several other support functions --</p> <p>8 Q. All right.</p> <p>9 A. -- in the station.</p> <p>10 Q. Then from January of '89 to</p> <p>11 November of '91, you were maintenance</p> <p>12 superintendent at that same location?</p> <p>13 A. That's correct.</p> <p>14 Q. And what did you do in that role?</p> <p>15 A. I was responsible for all of the</p> <p>16 maintenance resources, maintenance planning,</p> <p>17 and maintenance support engineering functions</p> <p>18 for the station.</p> <p>19 Q. All right. And then from November</p> <p>20 of '91 through August of '95, you were station</p> <p>21 manager at the same location?</p> <p>22 A. That's correct.</p> <p>23 Q. And what did you do in that role?</p>	<p>1 the site vice president. So in addition to the</p> <p>2 station manager as a direct report, I had the</p> <p>3 engineering manager and business manager,</p> <p>4 several other direct reports in the</p> <p>5 organization. So the site vice president is</p> <p>6 the top position at the site.</p> <p>7 Q. Then from December of '97 to</p> <p>8 October of '02, you were -- held the same role</p> <p>9 at the Oconee Nuclear Station?</p> <p>10 A. Yes.</p> <p>11 Q. And was there any difference in</p> <p>12 your function there as opposed to the Catawba</p> <p>13 Nuclear Station?</p> <p>14 A. No. It's just a three-unit</p> <p>15 nuclear site as opposed to a two-unit nuclear</p> <p>16 site, so it was a larger operation.</p> <p>17 Q. Then from November of '02 to</p> <p>18 December of '04, you were vice president of</p> <p>19 nuclear support at Duke Power?</p> <p>20 A. Yes.</p> <p>21 Q. And what did you do in that role?</p> <p>22 A. So in that role I was responsible</p> <p>23 for all of the corporate office support</p>
Page 14	Page 16
<p>1 A. I was responsible for the total</p> <p>2 operation of the station, including operations,</p> <p>3 maintenance, outages and outage support, as</p> <p>4 well as other support functions.</p> <p>5 Q. When you say outage support, what</p> <p>6 does that mean?</p> <p>7 A. So with this type of nuclear</p> <p>8 plant, you have a refueling outage</p> <p>9 approximately every eighteen months to two</p> <p>10 years on each unit where you change out nuclear</p> <p>11 fuel and perform an intensive regime of</p> <p>12 maintenance work. So that's referred -- the</p> <p>13 station is not producing power during that</p> <p>14 period of time -- excuse me, the unit is not</p> <p>15 producing power during that period of time, and</p> <p>16 it's referred to as an outage.</p> <p>17 Q. Okay. From August of '95 to</p> <p>18 December of '97, you were the site vice</p> <p>19 president at that same location?</p> <p>20 A. That's correct.</p> <p>21 Q. And how did that role differ from</p> <p>22 being station manager?</p> <p>23 A. The station manager reported to</p>	<p>1 functions for the entire nuclear group which at</p> <p>2 that time had three operating nuclear powers.</p> <p>3 So I was in Charlotte, the corporate</p> <p>4 headquarters, and had responsibility for all of</p> <p>5 the support functions that I have listed here.</p> <p>6 Q. And it was from that position that</p> <p>7 you retired from Duke Power?</p> <p>8 A. No.</p> <p>9 Q. Okay. What was your next role at</p> <p>10 Duke Power?</p> <p>11 A. I moved to the vice president of</p> <p>12 strategic planning and business development for</p> <p>13 Duke Power Company. So as opposed to just the</p> <p>14 nuclear function within Duke Power, I was</p> <p>15 responsible for all strategic planning,</p> <p>16 integrated resource planning, and business</p> <p>17 development activities; business development in</p> <p>18 this case meaning I advised management on</p> <p>19 merger and acquisition activity and potential</p> <p>20 purchase of other nuclear units.</p> <p>21 Q. What is integrated resource</p> <p>22 planning?</p> <p>23 A. Integrated resource planning is an</p>

William McCollum**11/12/2019**

Pages 17 to 20

<p style="text-align: right;">Page 17</p> <p>1 effort that is for regulated utilities such as</p> <p>2 Duke Power. It is required by the state</p> <p>3 regulatory commission, and at some periodicity,</p> <p>4 it varies state to state. The utility is</p> <p>5 required to go through an extensive planning</p> <p>6 and modeling process of looking at the future,</p> <p>7 testing out different scenarios of generation</p> <p>8 development and resources, mix of resources to</p> <p>9 find -- the goal would be to find the optimum</p> <p>10 mix of resources that has the lowest cost and</p> <p>11 best benefit to the customer.</p> <p>12 Q. After that role, what was your</p> <p>13 next position at Duke Power?</p> <p>14 A. Then I was placed over the</p> <p>15 regulated fossil/hydro generation. So Duke had</p> <p>16 gone through a -- was going through a merger</p> <p>17 with Synergy Corporation, and that meant that</p> <p>18 the size of the fossil/hydro fleet was going to</p> <p>19 expand dramatically from just those units</p> <p>20 within North and South Carolina to also include</p> <p>21 units within Howe, Indiana and northern</p> <p>22 Kentucky. And so I was placed in</p> <p>23 responsibility over that combined hydro/fossil</p>	<p style="text-align: right;">Page 19</p> <p>1 Q. All right. In any of your roles</p> <p>2 with Duke Power, did you ever oversee an</p> <p>3 application for transfer of a construction</p> <p>4 permit for a nuclear facility?</p> <p>5 A. No.</p> <p>6 Q. In any of your roles at Duke</p> <p>7 Power, did you ever see -- ever oversee any</p> <p>8 licensing applications to the NRC for a nuclear</p> <p>9 plant?</p> <p>10 A. Yes.</p> <p>11 Q. Tell me about that.</p> <p>12 A. So when I was vice president of</p> <p>13 nuclear support for Duke Power Company, we made</p> <p>14 a number of licensing applications related to</p> <p>15 -- some related to the Cherokee Nuclear Plant</p> <p>16 which was a plant we were planning to develop</p> <p>17 and construct, as well as some other</p> <p>18 applications for our three existing stations.</p> <p>19 Q. Did the Cherokee Nuclear Plant</p> <p>20 ever get off of the ground?</p> <p>21 A. No. It never operated.</p> <p>22 Q. Is that the one near Gaffney,</p> <p>23 South Carolina?</p>
<p style="text-align: right;">Page 18</p> <p>1 fleet.</p> <p>2 Q. And you did that for about six</p> <p>3 months?</p> <p>4 A. That's correct.</p> <p>5 Q. And then --</p> <p>6 A. Then there was a reorganization</p> <p>7 and my position was changed. And in addition</p> <p>8 to regulated fossil/hydro generation, I also</p> <p>9 took on engineering and technical services,</p> <p>10 procurement for the entire corporation, bulk</p> <p>11 power marketing, which is buying and selling of</p> <p>12 power outside of the utility fleet, and then</p> <p>13 new generation construction.</p> <p>14 Q. All right. And were there any</p> <p>15 nuclear plants under construction in the</p> <p>16 company at that time?</p> <p>17 A. Not under active construction. We</p> <p>18 had a site at -- near Gaffney, South Carolina,</p> <p>19 but construction had been stopped at that time.</p> <p>20 Q. In any of your roles with Duke</p> <p>21 Power, did you ever oversee construction of a</p> <p>22 nuclear plant?</p> <p>23 A. No.</p>	<p style="text-align: right;">Page 20</p> <p>1 A. That's correct.</p> <p>2 Q. Okay. Now, was it from the</p> <p>3 executive vice president and chief regulated</p> <p>4 generation officer role that you retired from</p> <p>5 Duke Energy?</p> <p>6 A. That's correct.</p> <p>7 Q. All right. And you retired but</p> <p>8 you didn't stay retired long; is that fair?</p> <p>9 A. That's correct.</p> <p>10 Q. All right. And what did you do</p> <p>11 next?</p> <p>12 A. I became chief operating officer</p> <p>13 of the Tennessee Valley Authority.</p> <p>14 Q. All right. And what did you --</p> <p>15 what was your -- what was your -- how would you</p> <p>16 generally describe your duties as chief</p> <p>17 operating officer at TVA?</p> <p>18 A. I was responsible for all the</p> <p>19 generation, transmission, operation,</p> <p>20 construction, and river operations, functions.</p> <p>21 Q. All right. And did you oversee in</p> <p>22 that role the construction of the Watts Bar</p> <p>23 Unit 2 project for TVA?</p>

William McCollum**11/12/2019**

Pages 21 to 24

Page 21	Page 23
<p>1 A. Yes.</p> <p>2 Q. And so you were certainly aware</p> <p>3 that that project went way over budget, right?</p> <p>4 A. Yes.</p> <p>5 Q. And you are aware that that</p> <p>6 project went way over the scheduled time of</p> <p>7 construction, right?</p> <p>8 A. Yes.</p> <p>9 Q. And you are certainly aware that</p> <p>10 in the nuclear industry, cost overruns for</p> <p>11 nuclear plant construction are very common?</p> <p>12 A. Well, they have certainly occurred</p> <p>13 a number of times.</p> <p>14 Q. And you are aware -- are you aware</p> <p>15 of a nuclear plant ever being constructed in</p> <p>16 conformity with its original construction</p> <p>17 schedule, meaning completed as initially</p> <p>18 planned?</p> <p>19 A. So when I was at the Catawba</p> <p>20 Nuclear Station, my first role there was</p> <p>21 manager in charge of the pre-operational</p> <p>22 testing and start-up program. So I</p> <p>23 participated in the construction completion at</p>	<p>1 A. That's correct.</p> <p>2 Q. What were the circumstances for</p> <p>3 your -- pertaining to your departure?</p> <p>4 A. I retired from TVA.</p> <p>5 Q. And was that a totally voluntary</p> <p>6 retirement?</p> <p>7 A. Yes.</p> <p>8 Q. No one suggested it would be in</p> <p>9 your interest to retire?</p> <p>10 A. Not in my interest, no.</p> <p>11 Q. All right. Did anyone from -- did</p> <p>12 anyone in senior management at TVA suggest to</p> <p>13 you it would be a good time to retire?</p> <p>14 A. We discussed a number of different</p> <p>15 scenarios around the organization and I decided</p> <p>16 it would be a good time for me to retire.</p> <p>17 Q. Had you received negative feedback</p> <p>18 from senior management at TVA about your</p> <p>19 performance as chief operating officer?</p> <p>20 A. Not that I recall.</p> <p>21 Q. None?</p> <p>22 A. About the results? About some</p> <p>23 results, but you said about my performance, and</p>
Page 22	Page 24
<p>1 Catawba and was responsible for putting Unit 1</p> <p>2 into operation. I can't speak to what the</p> <p>3 original schedule was for Catawba, because that</p> <p>4 was a little before my time, but we completed</p> <p>5 two units at Catawba which are comparable in</p> <p>6 size to the two unit plants at TVA and a number</p> <p>7 of others around the country. We completed</p> <p>8 both of those units for a total of 3.25 billion</p> <p>9 dollars. During the same time frame, the</p> <p>10 Vogtle Units 1 and 2 in Georgia were completed</p> <p>11 about a year behind the Catawba station at a</p> <p>12 cost of over eight billion dollars for the two</p> <p>13 units.</p> <p>14 Q. What was the -- when you oversaw</p> <p>15 the construction of Watts Bar 2, what did it</p> <p>16 end up costing for that one unit?</p> <p>17 A. It was completed after I left, so</p> <p>18 I don't have the final figure on that.</p> <p>19 Q. Well, at the time you left, what</p> <p>20 was the projected total cost?</p> <p>21 A. I don't recall.</p> <p>22 Q. All right. You left TVA in June</p> <p>23 30th of 2012, correct?</p>	<p>1 I don't recall that.</p> <p>2 Q. All right. Well, there -- you</p> <p>3 certainly recall there being negative comments</p> <p>4 about the results that you were overseeing in</p> <p>5 your role, correct?</p> <p>6 A. Correct.</p> <p>7 Q. And did that -- did that negative</p> <p>8 feedback about the results contribute to your</p> <p>9 decision to retire?</p> <p>10 A. Not really. My decision to retire</p> <p>11 revolved mostly around my personal and family</p> <p>12 considerations.</p> <p>13 Q. And would you say you left TVA on</p> <p>14 good terms?</p> <p>15 A. I think so.</p> <p>16 Q. Now, as soon as you retired, you</p> <p>17 indicate on your resume that you became owner</p> <p>18 of McCollum Holdings, LLC?</p> <p>19 A. Right.</p> <p>20 Q. What is McCollum Holdings, LLC?</p> <p>21 A. It is an LLC that I formed to do</p> <p>22 consulting.</p> <p>23 Q. All right. And I notice on your</p>

William McCollum**11/12/2019**

Pages 25 to 28

Page 25	Page 27
<p>1 work experience you don't list any work for</p> <p>2 Nuclear Development, is that right?</p> <p>3 A. Right. Under the time frame from</p> <p>4 July 2012 to present, I list my consulting</p> <p>5 business, but I don't list specific clients.</p> <p>6 Q. All right. Well, aren't you the</p> <p>7 CEO of Nuclear Development?</p> <p>8 A. Yes, I hold that title.</p> <p>9 Q. And aren't you the chief nuclear</p> <p>10 officer of Nuclear Development?</p> <p>11 A. Yes.</p> <p>12 Q. But you are not an employee of</p> <p>13 Nuclear Development?</p> <p>14 A. That's correct. I am a</p> <p>15 consultant.</p> <p>16 Q. All right. When did you first</p> <p>17 begin doing work for Nuclear Development?</p> <p>18 A. It was around November 2012.</p> <p>19 Q. And you worked for Nuclear</p> <p>20 Development consistently since then?</p> <p>21 A. I work varying amounts, depending</p> <p>22 on what I am requested to do each month.</p> <p>23 Q. All right. And who gives you --</p>	<p>1 Q. All right. Did you hold any</p> <p>2 office in Nuclear Development prior to being</p> <p>3 named CEO and CNO?</p> <p>4 A. I don't think so.</p> <p>5 Q. And do you have any written list</p> <p>6 of job responsibilities as CEO of Nuclear</p> <p>7 Development?</p> <p>8 A. No.</p> <p>9 Q. Do you have any written list of</p> <p>10 job responsibilities as CNO?</p> <p>11 A. No.</p> <p>12 Q. Does anyone report to you as CEO</p> <p>13 of Nuclear Development?</p> <p>14 A. No employees do.</p> <p>15 Q. Does anyone report to you?</p> <p>16 A. Well, I am responsible for</p> <p>17 coordinating work with some of our other</p> <p>18 contractors.</p> <p>19 Q. Okay. What would be your best</p> <p>20 estimate of your percentage of time that you</p> <p>21 have spent working on Nuclear Development work</p> <p>22 in 2019?</p> <p>23 A. Help me understand percentage</p>
Page 26	Page 28
<p>1 who do you report to as the CEO and CNO of</p> <p>2 Nuclear Development?</p> <p>3 A. Franklin Haney.</p> <p>4 Q. Sr.?</p> <p>5 A. Franklin Haney, yes. Frank Haney</p> <p>6 is president of Nuclear Development and</p> <p>7 Franklin is the owner/manager.</p> <p>8 Q. All right. And who is the</p> <p>9 secretary of Nuclear Development?</p> <p>10 A. I think it's Larry Blust, but I'm</p> <p>11 not certain about that.</p> <p>12 Q. And when did you become CEO of</p> <p>13 Nuclear Development?</p> <p>14 A. I don't remember the specific day.</p> <p>15 Q. What is your best estimate?</p> <p>16 A. I just don't recall.</p> <p>17 Q. All right. Well, is it more than</p> <p>18 three years ago?</p> <p>19 A. No.</p> <p>20 Q. Is it since the contract was</p> <p>21 signed with TVA for Nuclear Development to</p> <p>22 purchase the Bellefonte site?</p> <p>23 A. Probably.</p>	<p>1 of --</p> <p>2 MR. O'REAR: As compared to what?</p> <p>3 Q. (BY MR. LEMBKE:) Well, as the</p> <p>4 percentage of the total amount of work you do</p> <p>5 at McCollum Holdings, in 2019 what percentage</p> <p>6 would you say has Nuclear Development work</p> <p>7 occupied?</p> <p>8 A. About sixty percent.</p> <p>9 Q. Okay. And what would -- would</p> <p>10 2018 be about the same?</p> <p>11 A. 2018 would probably be about the</p> <p>12 same.</p> <p>13 Q. Has it ever been higher than sixty</p> <p>14 percent in any given year?</p> <p>15 A. Yeah, I don't recall. It</p> <p>16 fluctuates, but I don't recall being higher</p> <p>17 than that.</p> <p>18 Q. And has it been less than that?</p> <p>19 A. Yes.</p> <p>20 Q. Since -- what would you -- 2017,</p> <p>21 what would be your best estimate?</p> <p>22 A. Oh, I don't recall exactly.</p> <p>23 Q. Okay. Well, that was the year --</p>

William McCollum**11/12/2019**

Pages 29 to 32

Page 29	Page 31
<p>1 the first full calendar year after the contract</p> <p>2 was signed with TVA; you don't recall roughly</p> <p>3 how much of your time you spent that year?</p> <p>4 A. No, I don't.</p> <p>5 Q. Okay. And how are you compensated</p> <p>6 by Nuclear Development?</p> <p>7 A. I have a consulting contract. I</p> <p>8 submit invoices monthly for the hours that I</p> <p>9 work and I am compensated at a hourly rate.</p> <p>10 Q. What is the hourly rate?</p> <p>11 A. It's three hundred dollars an</p> <p>12 hour.</p> <p>13 Q. And this is a written consulting</p> <p>14 contract?</p> <p>15 A. Yes.</p> <p>16 Q. How many other entities does</p> <p>17 McCollum Holdings do work for?</p> <p>18 A. At present, two others.</p> <p>19 Q. And are either of them potential</p> <p>20 competitors of Nuclear Development?</p> <p>21 A. No.</p> <p>22 Q. Since you began doing any</p> <p>23 consulting work for Nuclear Development, have</p>	<p>1 A. Yes, that's a yes.</p> <p>2 Q. Okay. And to whom do you submit</p> <p>3 your invoices?</p> <p>4 A. Larry Blust.</p> <p>5 Q. Now, who are the other officers of</p> <p>6 Nuclear Development?</p> <p>7 A. Frank Haney is the president and</p> <p>8 Franklin Haney is the owner/manager.</p> <p>9 Q. Anyone else?</p> <p>10 A. Not that I know of.</p> <p>11 Q. As the CEO, you don't know who all</p> <p>12 of the other officers are?</p> <p>13 A. I might not.</p> <p>14 Q. Okay. Have you ever personally</p> <p>15 been a plaintiff or a defendant in civil</p> <p>16 litigation?</p> <p>17 A. No, not that I recall.</p> <p>18 Q. How many prior depositions have</p> <p>19 you given before today?</p> <p>20 A. I couldn't give you an exact</p> <p>21 number. Less than a dozen.</p> <p>22 Q. And when was the last one?</p> <p>23 A. Last deposition?</p>
Page 30	Page 32
<p>1 you ever worked for a potential competitor of</p> <p>2 Nuclear Development?</p> <p>3 A. No. But I was doing work for a</p> <p>4 company that it later turned out Nuclear</p> <p>5 Development might use as a contractor, so I</p> <p>6 terminated my business relationship with that</p> <p>7 company.</p> <p>8 Q. Who was that?</p> <p>9 A. BWXT in Canada.</p> <p>10 Q. And -- between January of 2017 and</p> <p>11 June of 2019, does it sound right that you have</p> <p>12 been paid over 1.25 million dollars by Nuclear</p> <p>13 Development?</p> <p>14 A. I don't know the exact figure. My</p> <p>15 -- I submitted the invoices monthly, so the</p> <p>16 amounts are what they are.</p> <p>17 Q. Give me just a second.</p> <p>18 And so there have been months in</p> <p>19 which you have billed TVA -- excuse me, Nuclear</p> <p>20 Development for as many as two hundred fifty</p> <p>21 hours worked in a month.</p> <p>22 A. Uh-huh.</p> <p>23 Q. Is that a yes?</p>	<p>1 Q. Yes, sir.</p> <p>2 A. It would have been several years</p> <p>3 ago.</p> <p>4 Q. All right. And were all of the</p> <p>5 depositions in conjunction with your work for</p> <p>6 Duke Power or TVA?</p> <p>7 A. Yes.</p> <p>8 Q. And did you give any while you</p> <p>9 were working at TVA in conjunction with your</p> <p>10 work for TVA?</p> <p>11 A. I testified in front of a</p> <p>12 congressional committee, and I may have given a</p> <p>13 recorded deposition.</p> <p>14 Q. What does a recorded deposition</p> <p>15 mean?</p> <p>16 A. It means something like this.</p> <p>17 Q. Oh, okay. Do you recall was it</p> <p>18 involving litigation?</p> <p>19 A. I don't remember. I just seem to</p> <p>20 have a vague memory that I might have given a</p> <p>21 deposition early on related to something.</p> <p>22 Q. Okay. How did you prepare for</p> <p>23 today's deposition?</p>

William McCollum**11/12/2019**

Pages 33 to 36

Page 33	Page 35
<p>1 A. I read some earlier depositions.</p> <p>2 Q. All right. Did you read Bill</p> <p>3 Johnson's deposition?</p> <p>4 A. Yes.</p> <p>5 Q. Okay. Did you see any reference</p> <p>6 to yourself in there that you disagreed with?</p> <p>7 MR. O'REAR: Objection. It's a</p> <p>8 really broad question without specificity.</p> <p>9 Q. (BY MR. LEMBKE:) You can answer.</p> <p>10 A. Can you state the question again?</p> <p>11 Q. Certainly. Did Mr. Johnson say</p> <p>12 anything about you or conversations with you or</p> <p>13 anything related to you that you disagreed with</p> <p>14 in that deposition?</p> <p>15 A. There were -- he made comments</p> <p>16 about things that he said that I had said to</p> <p>17 people in Memphis that were not accurate.</p> <p>18 Q. Okay. Anything else?</p> <p>19 A. That's all that I can recall.</p> <p>20 Q. All right. Did you read Ms.</p> <p>21 Quirk's deposition?</p> <p>22 A. Yes.</p> <p>23 Q. And did you see any mention of you</p>	<p>1 other deposition. Did you read Mr. Shea's</p> <p>2 deposition?</p> <p>3 A. I did.</p> <p>4 Q. And did you see any comments about</p> <p>5 you or conversations with you with which you</p> <p>6 disagreed in Mr. Shea's deposition?</p> <p>7 A. Not comments about me, no.</p> <p>8 Q. Okay. Was there something in it</p> <p>9 that you disagreed with?</p> <p>10 A. His recollection of our</p> <p>11 conversations regarding the application to</p> <p>12 transfer the construction permits differed from</p> <p>13 my recollection.</p> <p>14 Q. All right. Now let me get back to</p> <p>15 the question I had asked when I stopped and</p> <p>16 asked about Mr. Shea's deposition.</p> <p>17 What else did you do to prepare</p> <p>18 for today's deposition?</p> <p>19 A. I had conversations with our</p> <p>20 counsel.</p> <p>21 Q. All right. When did those</p> <p>22 conversations occur?</p> <p>23 A. Yesterday.</p>
Page 34	Page 36
<p>1 or conversations with you in her deposition</p> <p>2 with which you disagreed?</p> <p>3 A. Not that I recall.</p> <p>4 Q. All right. Did you read Mr.</p> <p>5 Chandler's deposition?</p> <p>6 A. I think so.</p> <p>7 Q. All right. Do you recall seeing</p> <p>8 anything about you or conversations with you</p> <p>9 that he said with which you disagreed?</p> <p>10 A. I don't recall.</p> <p>11 Q. Did you read Mr. Beach's</p> <p>12 deposition?</p> <p>13 A. Yes.</p> <p>14 Q. And did you see any comments in</p> <p>15 that deposition about you or conversations with</p> <p>16 you that you -- with which you disagreed?</p> <p>17 MR. O'REAR: Same objection I made</p> <p>18 previously.</p> <p>19 A. I don't recall.</p> <p>20 Q. (BY MR. LEMBKE:) What else did</p> <p>21 you do to prepare?</p> <p>22 A. I --</p> <p>23 Q. I just remembered there was one</p>	<p>1 Q. What about today?</p> <p>2 A. And today.</p> <p>3 Q. All right. How many hours did you</p> <p>4 spend, best estimate, between yesterday and</p> <p>5 today?</p> <p>6 A. Six.</p> <p>7 Q. And was anyone present other than</p> <p>8 Mr. O'Rear, Mr. Blust, and Frank Haney?</p> <p>9 A. Yes.</p> <p>10 Q. Who else was present?</p> <p>11 A. Roger Bates.</p> <p>12 Q. Who is Roger Bates?</p> <p>13 A. My understanding is he is an</p> <p>14 attorney with the same firm as Mr. O'Rear.</p> <p>15 Q. Okay. Did you review any</p> <p>16 documents before today's deposition other than</p> <p>17 those depositions you have previously</p> <p>18 mentioned?</p> <p>19 A. I refreshed my memory on some</p> <p>20 documents.</p> <p>21 Q. And have -- has -- have you</p> <p>22 provided to Nuclear Development's counsel any</p> <p>23 emails or hard-copy documents related to this</p>

William McCollum**11/12/2019**

Pages 37 to 40

Page 37	Page 39
<p>1 case?</p> <p>2 MR. O'REAR: Let me object to</p> <p>3 that. I mean, that involves attorney work</p> <p>4 product.</p> <p>5 MR. LEMBKE: I haven't asked what.</p> <p>6 I just asked a yes or no.</p> <p>7 MR. O'REAR: Okay. I'll let him</p> <p>8 answer it. You can answer yes or no.</p> <p>9 A. Yes.</p> <p>10 MR. O'REAR: Limit your answer to</p> <p>11 that.</p> <p>12 Q. (BY MR. LEMBKE:) Did you keep any</p> <p>13 handwritten notes pertaining to your work for</p> <p>14 Nuclear Development?</p> <p>15 A. No.</p> <p>16 Q. None?</p> <p>17 A. (Shaking head negatively.)</p> <p>18 Q. Did you keep any typewritten</p> <p>19 notes?</p> <p>20 A. No.</p> <p>21 Q. Okay. So you don't keep notes?</p> <p>22 A. No.</p> <p>23 Q. Who keeps the corporate records of</p>	<p>1 shortly afterwards.</p> <p>2 Q. All right. And did you understand</p> <p>3 you had any restrictions on what you could do</p> <p>4 as a consultant for Bellefonte as a TVA</p> <p>5 retiree?</p> <p>6 A. Well, I understood that there were</p> <p>7 ethics restrictions on what I could do as a</p> <p>8 retired executive from TVA.</p> <p>9 Q. And did that constrain you in what</p> <p>10 you were able to do for Nuclear Development?</p> <p>11 A. No. I contacted the chief ethics</p> <p>12 officer who at that time was Ralph Rogers at</p> <p>13 Tennessee Valley Authority to clarify what the</p> <p>14 restrictions would be and what the ethics rules</p> <p>15 would allow and not allow. And based on that,</p> <p>16 I didn't feel that there were any restrictions</p> <p>17 in terms of what Nuclear Development wanted me</p> <p>18 to do.</p> <p>19 Q. Okay. And what was it that</p> <p>20 Nuclear Development wanted you to do?</p> <p>21 A. Basically provide them technical</p> <p>22 help and advice in developing this project.</p> <p>23 Q. Now, in 2012, at the time you were</p>
Page 38	Page 40
<p>1 Nuclear Development?</p> <p>2 A. I don't know.</p> <p>3 Q. You don't know?</p> <p>4 A. I don't know.</p> <p>5 Q. Now, earlier you told me that you</p> <p>6 first got involved with Nuclear Development, I</p> <p>7 believe you said, in November of 2012?</p> <p>8 A. Yes.</p> <p>9 Q. All right. Who contacted you</p> <p>10 first?</p> <p>11 A. Larry Blust.</p> <p>12 Q. And what did -- what was the --</p> <p>13 was there a request to you for what services</p> <p>14 you would provide?</p> <p>15 A. Just that there was interest in</p> <p>16 potentially developing a nuclear plant project</p> <p>17 as a merchant plant and would I be interested</p> <p>18 in consulting with him.</p> <p>19 Q. And did you know it was</p> <p>20 Bellefonte?</p> <p>21 A. I don't remember if we</p> <p>22 specifically talked about Bellefonte during the</p> <p>23 initial conversations or I found out about that</p>	<p>1 retained to provide this technical advice, what</p> <p>2 was your understanding of the status of the</p> <p>3 project at TVA?</p> <p>4 MR. O'REAR: Which project?</p> <p>5 MR. LEMBKE: The Bellefonte</p> <p>6 project.</p> <p>7 A. Prior to my leaving TVA, the board</p> <p>8 of TVA had made a decision to complete</p> <p>9 Bellefonte Unit 1, and that was the status at</p> <p>10 the time I left. Other than that, you know,</p> <p>11 anything else at that point in time in late</p> <p>12 2012 would have just been rumors.</p> <p>13 Q. (BY MR. LEMBKE:) All right.</p> <p>14 Well, what did you understand Nuclear</p> <p>15 Development wanted to do at that time with</p> <p>16 regard to Bellefonte?</p> <p>17 MR. O'REAR: At what time now are</p> <p>18 you referring?</p> <p>19 MR. LEMBKE: Late 2012 when he</p> <p>20 first became a consultant.</p> <p>21 A. It was fairly general, but find --</p> <p>22 find a way to work out some sort of arrangement</p> <p>23 to be able to complete -- complete the plant</p>

William McCollum**11/12/2019**

Pages 41 to 44

<p style="text-align: right;">Page 41</p> <p>1 and put it into operation either with TVA or,</p> <p>2 you know, in some sort of business arrangement.</p> <p>3 So it was a little -- the business structure</p> <p>4 part of it was a little bit vague to me at that</p> <p>5 point in time.</p> <p>6 Q. (BY MR. LEMBKE:) You had overseen</p> <p>7 the Bellefonte project while you were at -- in</p> <p>8 your role of chief operating officer at TVA,</p> <p>9 correct?</p> <p>10 A. That's correct.</p> <p>11 Q. And so you certainly had</p> <p>12 confidential business information pertaining to</p> <p>13 Bellefonte at that time, correct?</p> <p>14 MR. O'REAR: Objection. What are</p> <p>15 you referring to as confidential business</p> <p>16 information?</p> <p>17 Q. (BY MR. LEMBKE:) You can a</p> <p>18 answer.</p> <p>19 MR. O'REAR: To the extent you</p> <p>20 understand the question, you can answer.</p> <p>21 A. Yeah, I -- I'm not sure what</p> <p>22 business information you are talking about.</p> <p>23 Q. (BY MR. LEMBKE:) Well, did you</p>	<p style="text-align: right;">Page 43</p> <p>1 Q. (BY MR. LEMBKE:) Let me strike --</p> <p>2 let me restate the question.</p> <p>3 MR. O'REAR: Restate.</p> <p>4 Q. (BY MR. LEMBKE:) As chief</p> <p>5 operating officer of TVA, did you believe you</p> <p>6 were in the possession of any information</p> <p>7 pertaining to Bellefonte that would be deemed</p> <p>8 confidential proprietary business information?</p> <p>9 A. So that's not a term related to</p> <p>10 TVA that I am aware that we used very much. So</p> <p>11 in terms of what might have been released to</p> <p>12 the public through a FOIA request, I would have</p> <p>13 probably been aware of certain contract details</p> <p>14 that wouldn't have been subject to public</p> <p>15 release.</p> <p>16 Q. Anything else you can think of</p> <p>17 that you were aware of about -- pertaining to</p> <p>18 Bellefonte that you would have thought would</p> <p>19 not have been subject to public release?</p> <p>20 A. I -- I don't know -- I don't know</p> <p>21 of anything else that I would be confident</p> <p>22 about answering on that.</p> <p>23 Q. Okay. Did you talk to the chief</p>
<p style="text-align: right;">Page 42</p> <p>1 have any confidential business information</p> <p>2 pertaining to Bellefonte having served as chief</p> <p>3 operating officer of TVA?</p> <p>4 MR. O'REAR: Same objection.</p> <p>5 A. Well, I knew a -- I knew a certain</p> <p>6 amount of information about Bellefonte, but I'm</p> <p>7 not -- I don't know that I can say exactly what</p> <p>8 TVA would or would not have considered</p> <p>9 confidential business information.</p> <p>10 Q. (BY MR. LEMBKE:) Well, you have</p> <p>11 been the chief operating officer at TVA; would</p> <p>12 you have regarded it as confidential</p> <p>13 proprietary business information?</p> <p>14 MR. O'REAR: We are --</p> <p>15 MR. BLUST: We --</p> <p>16 MR. LEMBKE: We're going to need</p> <p>17 -- we have got one lawyer --</p> <p>18 MR. O'REAR: I understand that.</p> <p>19 MR. LEMBKE: -- not two lawyers,</p> <p>20 one lawyer.</p> <p>21 MR. O'REAR: I understand. That's</p> <p>22 fine. And -- but I said the same thing, so --</p> <p>23 I don't understand the question.</p>	<p style="text-align: right;">Page 44</p> <p>1 ethics officer at TVA about your knowledge of</p> <p>2 that information?</p> <p>3 A. I talked about the ethics</p> <p>4 restrictions that I would be under given my</p> <p>5 former position and my role at the agency and</p> <p>6 the work that I was undertaking with Nuclear</p> <p>7 Development and made sure that there was</p> <p>8 nothing in that that would violate federal</p> <p>9 ethics regulations.</p> <p>10 Q. Did you expressly make the chief</p> <p>11 ethics officer aware that you possessed</p> <p>12 non-public information pertaining to</p> <p>13 Bellefonte?</p> <p>14 A. Ralph certainly was aware of the</p> <p>15 work that I had done and what things -- what</p> <p>16 sort of things I had been involved in. But the</p> <p>17 ethics regulations, as Ralph explained them to</p> <p>18 me, did not prohibit me from having knowledge.</p> <p>19 Q. Well, my question wasn't what he</p> <p>20 certainly knew but what you told him. Did you</p> <p>21 tell him that you had non-public information</p> <p>22 about Bellefonte?</p> <p>23 A. I expressed to him the questions</p>

William McCollum**11/12/2019**

Pages 45 to 48

Page 45	Page 47
<p>1 around given that I have done this work with</p> <p>2 Bellefonte and with TVA and with TVA Nuclear</p> <p>3 and so forth, does any of that create a</p> <p>4 problem. We didn't go through lists -- as I</p> <p>5 recall, we didn't go through lists of specific</p> <p>6 information.</p> <p>7 Q. So is it fair to say in answer to</p> <p>8 my question you did not expressly state to him</p> <p>9 that you had knowledge of non-public</p> <p>10 information about Bellefonte?</p> <p>11 MR. O'REAR: Object to the form.</p> <p>12 Incorrect summarization of his testimony.</p> <p>13 A. Yeah, I don't recall -- I don't</p> <p>14 recall that at all. I think our -- the</p> <p>15 discussions I had with Ralph were -- were</p> <p>16 complete and comprehensive in terms of making</p> <p>17 sure there wouldn't be any violations of ethics</p> <p>18 rules.</p> <p>19 Q. (BY MR. LEMBKE:) Now, when you</p> <p>20 say that you were a little bit unclear on the</p> <p>21 business model at the time you were retained by</p> <p>22 Nuclear Development --</p> <p>23 A. Uh-huh.</p>	<p>1 United States and how does that inform the</p> <p>2 ability to complete the Bellefonte project, you</p> <p>3 know, a variety of technical questions.</p> <p>4 Q. And over what period of time were</p> <p>5 you providing -- was your role limited to</p> <p>6 providing those sorts of -- that sort of</p> <p>7 technical input?</p> <p>8 A. I'd -- I would say that my role</p> <p>9 evolved over time. There weren't definite</p> <p>10 milestones, but over time I provided technical</p> <p>11 input, some general cost analyses, cost</p> <p>12 comparisons, for example, with cost of new</p> <p>13 gas-fired generation. Those sorts of things.</p> <p>14 Q. Well, ultimately your role evolved</p> <p>15 to be CEO.</p> <p>16 A. Uh-huh.</p> <p>17 Q. Is that a yes?</p> <p>18 A. That's a yes.</p> <p>19 MR. O'REAR: Let him -- let him</p> <p>20 finish his question before you respond.</p> <p>21 A. Sorry.</p> <p>22 Q. (BY MR. LEMBKE:) Ultimately your</p> <p>23 role evolved to be CEO. What other things did</p>
Page 46	Page 48
<p>1 Q. Was that a yes?</p> <p>2 A. That was yes.</p> <p>3 Q. -- what do you mean by that?</p> <p>4 A. So there are several -- there are</p> <p>5 several different ways you can develop a plant,</p> <p>6 with a -- with a single liner, with multiple</p> <p>7 liners, with partnerships. And so the exact</p> <p>8 structure that would ultimately be used for the</p> <p>9 ownership and financing of the project wasn't</p> <p>10 clear to me at that time, but that wasn't my</p> <p>11 role either.</p> <p>12 Q. And your role at that time was</p> <p>13 what?</p> <p>14 A. Providing technical input as</p> <p>15 requested.</p> <p>16 Q. And what sort of technical input</p> <p>17 were they requesting?</p> <p>18 A. What are -- you know, such things</p> <p>19 as what are typical nuclear plant operating</p> <p>20 costs, what are -- what are the other sort of</p> <p>21 costs that you get into when you operate a</p> <p>22 nuclear plant, what -- the history of</p> <p>23 pressurized water reactor technology use in the</p>	<p>1 your role expand into before you got to the</p> <p>2 point of being named a CEO beyond what you have</p> <p>3 already told me?</p> <p>4 A. Participation in project</p> <p>5 development in terms of discussions with</p> <p>6 potential power purchasers, potential financing</p> <p>7 entities, and some of those sort of</p> <p>8 discussions.</p> <p>9 Q. Anything else you can remember?</p> <p>10 A. No.</p> <p>11 Q. Were you ever involved with Bud</p> <p>12 Cramer's lobbying efforts?</p> <p>13 A. I have met Bud Cramer, but I'm not</p> <p>14 aware of ever participating in anything that</p> <p>15 would be a lobbying activity.</p> <p>16 Q. Well, were you ever involved in</p> <p>17 discussing what Mr. Cramer was going to do with</p> <p>18 his lobbying activity?</p> <p>19 A. Not that I recall.</p> <p>20 Q. Okay. Now, you said you had</p> <p>21 discussions with potential power purchasers?</p> <p>22 A. Uh-huh.</p> <p>23 Q. Is that a yes?</p>

William McCollum**11/12/2019**

Pages 49 to 52

Page 49	Page 51
<p>1 A. That is a yes.</p> <p>2 Q. And when do you first recall</p> <p>3 having discussions with potential power</p> <p>4 purchasers?</p> <p>5 A. I don't remember.</p> <p>6 Q. Well, do you think it was before</p> <p>7 or after the TVA Board decided to declare</p> <p>8 Bellefonte as surplus property? Which I will</p> <p>9 represent to you was in the first half of 2016.</p> <p>10 A. I don't recall any prior to that</p> <p>11 time.</p> <p>12 Q. Okay. And who do you recall the</p> <p>13 first potential power purchaser having a</p> <p>14 discussion with?</p> <p>15 A. I don't recall the exact sequence.</p> <p>16 Q. All right. Well, I know you have</p> <p>17 had discussions with Memphis Light, Gas &</p> <p>18 Water, correct?</p> <p>19 A. Correct.</p> <p>20 Q. Have you had discussions with</p> <p>21 Chattanooga?</p> <p>22 A. Yes.</p> <p>23 Q. What about with Huntsville?</p>	<p>1 South Carolina.</p> <p>2 Q. Any others?</p> <p>3 A. That's all I recall right now.</p> <p>4 Q. Now, I understand --</p> <p>5 A. Oh, I'm sorry.</p> <p>6 Q. Go ahead.</p> <p>7 A. Entergy Corporation.</p> <p>8 Q. Other than whatever Letter of</p> <p>9 Intent that Memphis signed, did any of the</p> <p>10 others that you talked to sign any kind of</p> <p>11 Letter of Intent?</p> <p>12 A. Not that I am aware.</p> <p>13 Q. But you are aware that Memphis</p> <p>14 signed a Letter of Intent at one point,</p> <p>15 correct?</p> <p>16 A. Correct.</p> <p>17 Q. Now, what was the nature of your</p> <p>18 discussions with those entities that you just</p> <p>19 mentioned, the seven groups you mentioned?</p> <p>20 MR. O'REAR: I'm going to object,</p> <p>21 compound question.</p> <p>22 Q. (BY MR. LEMBKE:) All right. What</p> <p>23 was the nature of your discussions with</p>
Page 50	Page 52
<p>1 A. I don't recall any discussions</p> <p>2 that I have had with Huntsville.</p> <p>3 Q. What about with Nashville?</p> <p>4 A. No, I have not.</p> <p>5 Q. All right. Other than Memphis and</p> <p>6 Chattanooga, what potential power purchasers</p> <p>7 have you had discussions with?</p> <p>8 A. With Joe Wheeler Cooperative and</p> <p>9 Volunteer Electric Cooperative.</p> <p>10 Q. The Joe Wheeler Cooperative is in</p> <p>11 Alabama?</p> <p>12 A. That's correct.</p> <p>13 Q. And the Volunteer is in Tennessee?</p> <p>14 A. That's correct.</p> <p>15 Q. Other than Memphis, Chattanooga,</p> <p>16 the Joe Wheeler Cooperative and the Volunteer</p> <p>17 Electric Cooperative, any others you remember</p> <p>18 having discussions with?</p> <p>19 A. Yes.</p> <p>20 Q. Who?</p> <p>21 A. Discussions with -- I probably</p> <p>22 won't get the name right, but it's PowerSouth</p> <p>23 Cooperative in Alabama and Santee Cooper in</p>	<p>1 Memphis?</p> <p>2 A. As a potential purchaser of power</p> <p>3 from the Bellefonte plant.</p> <p>4 Q. All right. And did the nature of</p> <p>5 the discussions differ with any of the other</p> <p>6 six?</p> <p>7 A. Well, there -- there were</p> <p>8 different potential arrangements, but in</p> <p>9 general the idea was to find purchasers for the</p> <p>10 power for Bellefonte.</p> <p>11 Q. As I understand it, the idea was</p> <p>12 that Memphis would buy all of the output from</p> <p>13 Unit 1, correct?</p> <p>14 A. That was a proposal we made.</p> <p>15 Q. All right. Did you propose to any</p> <p>16 of the other six that they would purchase all</p> <p>17 of the output from Unit 1?</p> <p>18 A. Yes.</p> <p>19 Q. Who?</p> <p>20 A. Santee Cooper, PowerSouth</p> <p>21 Cooperative, and Entergy.</p> <p>22 Q. And are -- other than Entergy, are</p> <p>23 all of those entities current TVA customers --</p>

William McCollum**11/12/2019**

Pages 53 to 56

Page 53	Page 55
<p>1 A. No.</p> <p>2 Q. -- purchasers? Memphis is,</p> <p>3 correct?</p> <p>4 A. That's correct.</p> <p>5 Q. Chattanooga is, correct?</p> <p>6 A. Yes.</p> <p>7 Q. Joe Wheeler Cooperative?</p> <p>8 A. Yes.</p> <p>9 Q. Volunteer Electric?</p> <p>10 A. Yes.</p> <p>11 Q. Santee Cooper?</p> <p>12 A. No.</p> <p>13 Q. PowerSouth?</p> <p>14 A. No.</p> <p>15 Q. Okay. Now, when you were at TVA,</p> <p>16 had you been involved in the relationship</p> <p>17 between TVA and Memphis?</p> <p>18 A. No.</p> <p>19 Q. Had no involvement whatsoever?</p> <p>20 A. No.</p> <p>21 Q. As chief operating officer, didn't</p> <p>22 the people who oversaw the Memphis relationship</p> <p>23 report to you?</p>	<p>1 discussion with Credit Suisse.</p> <p>2 A. I was providing them information</p> <p>3 about the plant -- the potential power</p> <p>4 production, pricing -- information about</p> <p>5 pricing, market pricing, current market pricing</p> <p>6 for electricity, and that sort of background</p> <p>7 information.</p> <p>8 Q. And what was the nature of your</p> <p>9 discussions with Moody's?</p> <p>10 A. It was in support of getting a</p> <p>11 shadow rating. And so I helped provide similar</p> <p>12 kind of information where I just talked about</p> <p>13 background information on the plant, the</p> <p>14 project, what it would take to finish the plant</p> <p>15 and so forth.</p> <p>16 Q. And what is a shadow rating?</p> <p>17 A. Now you are getting beyond my</p> <p>18 expertise.</p> <p>19 Q. Did you -- okay. Were you ever</p> <p>20 involved in any discussions with officials of</p> <p>21 the Department of Energy?</p> <p>22 A. Yes.</p> <p>23 Q. All right. And wasn't that a</p>
Page 54	Page 56
<p>1 A. No, they did not.</p> <p>2 Q. Okay. So you never had any role</p> <p>3 in the sale of power by TVA to its customers?</p> <p>4 A. That's correct.</p> <p>5 Q. And your -- Nuclear Development's</p> <p>6 discussions with Memphis are ongoing, correct?</p> <p>7 A. That's correct.</p> <p>8 Q. Are the discussions with any of</p> <p>9 the other six ongoing?</p> <p>10 A. Yes.</p> <p>11 Q. Which ones?</p> <p>12 A. Chattanooga and Volunteer Electric</p> <p>13 and Joe Wheeler.</p> <p>14 Q. Now, you also said you had</p> <p>15 discussions with potential financing entities?</p> <p>16 A. (Nodding head affirmatively.)</p> <p>17 Q. Is that a yes?</p> <p>18 A. Yes.</p> <p>19 Q. And what financing entities have</p> <p>20 you been involved in discussions with?</p> <p>21 A. Credit Suisse, and I participated</p> <p>22 in rating agency discussions with Moody's.</p> <p>23 Q. Tell me about the nature of your</p>	<p>1 potential financing entity?</p> <p>2 A. Through the Loan Program Office,</p> <p>3 yes.</p> <p>4 Q. All right. Tell me about the</p> <p>5 nature of your involvement in discussions with</p> <p>6 the Department of Energy.</p> <p>7 A. I attended some meetings with</p> <p>8 Department of Energy staff where we had</p> <p>9 discussions about the project. Again, it was</p> <p>10 my role was to talk about the status of the</p> <p>11 units, what it would take to complete the units</p> <p>12 and put them in operation, the estimates for</p> <p>13 completing the units and that sort of</p> <p>14 information about the power plants themselves.</p> <p>15 Q. And what is your best estimate of</p> <p>16 the number of face-to-face meetings you have</p> <p>17 had with Department of Energy officials?</p> <p>18 A. I couldn't say exactly, but I</p> <p>19 would say on the order of maybe half a dozen.</p> <p>20 Q. And when was the last such meeting</p> <p>21 that you recall?</p> <p>22 A. I don't know. That was a number</p> <p>23 of months ago.</p>

William McCollum**11/12/2019**

Pages 57 to 60

Page 57	Page 59
<p>1 Q. In 2019?</p> <p>2 A. 20 -- either late 2018 or 2019.</p> <p>3 Q. And in addition to face-to-face</p> <p>4 meetings, have you been on phone calls with</p> <p>5 Department of Energy officials?</p> <p>6 A. Once or twice.</p> <p>7 Q. And was your role on those calls</p> <p>8 the same as in the face-to-face meetings?</p> <p>9 A. No. On those phone calls, it was</p> <p>10 really just status information about the</p> <p>11 Nuclear Development submittal loan application.</p> <p>12 Q. What's the current status of the</p> <p>13 loan application?</p> <p>14 A. It's in the final stages of review</p> <p>15 at the Loan Program Office, that's my</p> <p>16 understanding.</p> <p>17 Q. Has there been any indication from</p> <p>18 the Department of Energy as to when that final</p> <p>19 stage of review will be completed?</p> <p>20 A. There is not a definitive date</p> <p>21 that I am aware of.</p> <p>22 Q. What about an estimate?</p> <p>23 A. Not that I am aware of.</p>	<p>1 Q. In the last six months, what tasks</p> <p>2 have you been working on for Nuclear</p> <p>3 Development, other than preparing for this</p> <p>4 deposition?</p> <p>5 A. I have been working on developing</p> <p>6 the ongoing construction estimates and</p> <p>7 schedules, the application for the transfer of</p> <p>8 the construction permits, the ongoing work</p> <p>9 regarding development of potential purchases --</p> <p>10 purchasers of power, and various discussions</p> <p>11 with other entities that might be involved with</p> <p>12 us to provide services to Nuclear Development</p> <p>13 if the project goes forward -- further.</p> <p>14 MR. LEMBKE: Let's take a short</p> <p>15 break.</p> <p>16 THE VIDEOGRAPHER: We are off the</p> <p>17 record at 4:33 p.m.</p> <p>18 (Whereupon, a break was had from</p> <p>19 4:33 p.m. until 4:44 p.m.)</p> <p>20 THE VIDEOGRAPHER: We are back on</p> <p>21 the record at 4:44 p.m.</p> <p>22 Q. (BY MR. LEMBKE:) Mr. McCollum,</p> <p>23 were you involved in the decision by Nuclear</p>
Page 58	Page 60
<p>1 Q. We have talked about your role as</p> <p>2 a technical adviser; and then other than what</p> <p>3 you have talked about as to how it evolved so</p> <p>4 far, do you recall any other areas of work that</p> <p>5 you performed for Nuclear Development prior to</p> <p>6 the time you became the CEO?</p> <p>7 A. Other than what we have already</p> <p>8 discussed --</p> <p>9 Q. Yes.</p> <p>10 A. -- I can't think of anything.</p> <p>11 Q. Now, after you became the CEO, did</p> <p>12 the nature of your work for Nuclear Development</p> <p>13 change in any way?</p> <p>14 A. No, not really.</p> <p>15 Q. Were there any new areas of work</p> <p>16 that you performed beyond what we have already</p> <p>17 discussed?</p> <p>18 A. Well, we continued to do different</p> <p>19 things over time. So the way I view it, my</p> <p>20 fundamental areas of work for Nuclear</p> <p>21 Development remain the same, but there are</p> <p>22 various different tasks that we get into and</p> <p>23 undertake over time.</p>	<p>1 Development to submit a bid in connection with</p> <p>2 the auction being held by TVA for the sale of</p> <p>3 the Bellefonte property?</p> <p>4 A. No.</p> <p>5 Q. Let me show you -- if you look in</p> <p>6 this stack for Exhibit 42, which is probably</p> <p>7 going to be at the bottom -- they are in</p> <p>8 reverse numerical order. That's it, yes, sir.</p> <p>9 (Whereupon, Exhibit Number 42,</p> <p>10 having been previously marked for</p> <p>11 identification, was referenced in</p> <p>12 this deposition.)</p> <p>13 Q. This is an email from Larry Blust</p> <p>14 to C. O'Neill at CE Advisors on August 18, 2016</p> <p>15 that you received a copy of, correct?</p> <p>16 A. Yes.</p> <p>17 Q. All right. And do you recall that</p> <p>18 Carrie O'Neill at Concentric Advisors was</p> <p>19 working with TVA in connection with the</p> <p>20 Bellefonte auction?</p> <p>21 A. I recall the name, yes.</p> <p>22 Q. Okay. Let me let you take a</p> <p>23 moment to review numbered paragraph number one.</p>

William McCollum**11/12/2019**

Pages 61 to 64

Page 61	Page 63
<p>1 A. (Reviewing document.) I have read 2 paragraph one. 3 Q. All right. Do you see on the end 4 of the third line the sentence: As part of 5 this process, ND has contacted various 6 interested governmental officials and 7 legislators and met with DOE, NRC, IRS, and 8 other governmental agencies and customers and 9 suppliers of TVA about the feasibility and 10 financing the project? Do you see that? 11 A. I do. 12 Q. All right. You have told me about 13 your meeting with -- your meetings with DOE, 14 correct? 15 A. Yes. 16 Q. Were you involved in meetings with 17 interested government officials about this? 18 MR. O'REAR: At this point in 19 time? 20 Q. (BY MR. LEMBKE:) At any point 21 prior to August 18, 2016. 22 A. I have been -- I've been involved 23 in a few meetings with government officials. I</p>	<p>1 time and maintained a relationship over the 2 years and that the -- Franklin was interested 3 in Senator Reid being aware of this potential 4 project because obviously the funding for DOE 5 in the Loan Program Office passes through the 6 Legislature at some point. 7 Q. And did you have a speaking role 8 in that meeting? 9 A. No, other than to be introduced to 10 the senator. 11 Q. All right. What other 12 governmental officials and legislators do you 13 recall meeting with in connection with Nuclear 14 Development? 15 A. Prior to this time, right? 16 Q. Yes, sir. 17 A. We met with Governor Bentley of 18 Alabama. And I'm -- and again, I'm not -- I 19 don't have a precise recollection about whether 20 it was before or after 8/18/2016. 21 Q. And was this the meeting where 22 representatives of TVA, Southern Company, 23 Nuclear Development, and the governor's office</p>
Page 62	Page 64
<p>1 can't recall whether they were before or after 2 this time frame. 3 Q. All right. What government 4 officials do you recall being involved in 5 meeting with? 6 A. Give me just a moment, his name 7 escapes me. I'm sorry, the previous Senate 8 Majority Leader for Democrat -- 9 Q. Harry Reid? 10 A. Harry Reid, yes, thank you. 11 Q. Tell me about what meeting you 12 were involved in with Harry Reid about Nuclear 13 Development. 14 A. I went with Franklin Haney to a 15 short meeting with Senator Reid where Franklin 16 discussed with him the interest in developing 17 the project and potentially getting a DOE loan 18 guarantee. 19 Q. What was your understanding of why 20 Mr. Haney was talking to Harry Reid about that? 21 A. My understanding was that Harry 22 Reid and Franklin Haney attended law school 23 together and had known each other for a long</p>	<p>1 were present? 2 A. Yes. 3 Q. All right. And what do you recall 4 occurring at that meeting? 5 A. Not much occurred. There was 6 introductions, pleasantries, and discussion 7 about the potential project. And Mr. Johnson, 8 Bill Johnson of TVA, and Mr. Crosswhite of 9 Alabama Power said that they didn't -- they 10 didn't really see a need for the project 11 because they didn't need power. And the -- and 12 there was some discussion of whether it would 13 be beneficial to proceed with the project and 14 whether there might be other ways to do that. 15 And I think that's all I recall of the 16 discussion in that meeting. 17 Q. Was there any action item coming 18 out of that meeting, as you recall? 19 A. You know, it's not the way I would 20 assign an action item, but there was a -- as I 21 recall, there was a general request made by 22 Governor Bentley that, you know, you guys talk 23 about this and see if you can figure out some</p>

William McCollum

11/12/2019

Pages 65 to 68

<p style="text-align: right;">Page 65</p> <p>1 way that this could happen sort of thing.</p> <p>2 Q. And did anything come of Governor</p> <p>3 Bentley's request?</p> <p>4 A. I don't know. I wasn't involved</p> <p>5 in any further discussions about that.</p> <p>6 Q. All right. Other than the</p> <p>7 meetings with Senator Reid and Governor Bentley</p> <p>8 prior to this time, do you recall any other</p> <p>9 meetings you attended with government officials</p> <p>10 and legislators -- or legislators about Nuclear</p> <p>11 Development?</p> <p>12 A. Not -- no, not prior to this time.</p> <p>13 Q. What about since that time?</p> <p>14 A. Yes, we have had -- I have been at</p> <p>15 some other meetings with legislators or</p> <p>16 government officials.</p> <p>17 Q. All right. Tell me the first of</p> <p>18 those that you recall.</p> <p>19 A. Representative Steve Cohen --</p> <p>20 excuse me, Congressman Steve Cohen from the --</p> <p>21 I'm sorry, I can't recall the number of his</p> <p>22 congressional district, but it is in west</p> <p>23 Tennessee.</p>	<p style="text-align: right;">Page 67</p> <p>1 Q. Any other meetings since August</p> <p>2 2016 with government officials or legislators</p> <p>3 that you took part in that you can recall?</p> <p>4 A. I think that's all I recall.</p> <p>5 Q. All right. The sentence we were</p> <p>6 looking at also refers to meetings with the NRC</p> <p>7 prior to August 18, 2016. Were you part of any</p> <p>8 meeting for Nuclear Development with the NRC</p> <p>9 prior to this date?</p> <p>10 A. Yeah, I don't recall the specific</p> <p>11 date, but we had -- we being myself and Frank</p> <p>12 Haney and Franklin Haney and Larry Blust, met</p> <p>13 with the person who was at the time the</p> <p>14 executive director of operations of the NRC,</p> <p>15 Victor McCree, and his staff to talk about the</p> <p>16 potential development of the Bellefonte</p> <p>17 project.</p> <p>18 Q. And you said you don't recall</p> <p>19 whether that -- how many meetings with Victor</p> <p>20 McCree did you take part in?</p> <p>21 A. One face-to-face meeting.</p> <p>22 Q. Okay. I am going to show you a</p> <p>23 document, I think, that will indicate that that</p>
<p style="text-align: right;">Page 66</p> <p>1 Q. And what was the purpose of that</p> <p>2 meeting?</p> <p>3 A. Just to talk about the potential</p> <p>4 development of the Bellefonte project and the</p> <p>5 possibility of the sale of power to Memphis.</p> <p>6 Q. When did that occur, do you</p> <p>7 recall?</p> <p>8 A. No, not -- not precisely, but it</p> <p>9 was -- it would have been sometime maybe late</p> <p>10 '17, early '18, as best I can recall.</p> <p>11 Q. All right. What other meetings</p> <p>12 with government officials and legislators since</p> <p>13 August 18, 2016 do you recall being a part of?</p> <p>14 A. Well, we had additional -- we had</p> <p>15 additional meetings -- we have had additional</p> <p>16 meetings with the NRC. I mentioned meetings</p> <p>17 with Department of Energy. As part of the</p> <p>18 development of the Bellefonte site, we held an</p> <p>19 open house event down at the Bellefonte site,</p> <p>20 two or three state legislators attended that.</p> <p>21 I got to meet them and talk with them. Mo</p> <p>22 Brooks attended that event, I got to speak with</p> <p>23 him. And that's all I can recall.</p>	<p style="text-align: right;">Page 68</p> <p>1 was after this date.</p> <p>2 Do you recall any meetings with</p> <p>3 the NRC prior to this date that you attended</p> <p>4 about Nuclear Development?</p> <p>5 A. Well, we did commission drop-ins,</p> <p>6 but that was after the meeting with Victor</p> <p>7 McCree, so no.</p> <p>8 Q. Okay. This also references</p> <p>9 meetings with the IRS. At any point have you</p> <p>10 ever attended a meeting with the IRS pertaining</p> <p>11 to Nuclear Development?</p> <p>12 A. No.</p> <p>13 Q. All right. And have you told me</p> <p>14 about all of the other governmental agencies</p> <p>15 that you can recall meeting with at any point</p> <p>16 pertaining to Nuclear Development?</p> <p>17 A. We had a meeting with the Alabama</p> <p>18 Department of Environmental Management to</p> <p>19 discuss the potential transfer of the</p> <p>20 environmental permits that TVA had obtained for</p> <p>21 the Bellefonte site from TVA to Nuclear</p> <p>22 Development. That occurred in Montgomery, I</p> <p>23 don't know the exact time frame.</p>

William McCollum**11/12/2019**

Pages 69 to 72

Page 69

1 Q. Any others that you recall?

2 A. No, not that I can recall.

3 Q. And you have already told me about
4 your meetings with customers and suppliers of
5 TVA about the feasibility and financing of the
6 project?

7 A. Yes.

8 Q. Okay.

9 A. We had a meeting at a point in
10 time, I don't remember exactly when, in
11 Chattanooga with the members of the board of
12 the Seven States Power Corporation, and those
13 members are all people who are the managers or
14 CEOs or in some way work for different
15 customers of TVA that participate in that
16 organization. So there would have been a
17 number of -- and I made a presentation about
18 the status of the Bellefonte site and what it
19 would take to complete the units and put them
20 online and so forth, put them into operation.
21 And there would have been people in the room
22 there who were associated with customers other
23 than the ones I named before.

Page 70

1 Q. Okay. And when, to the best of
2 your recollection, did that occur?

3 A. I really can't recall.

4 Q. Okay. So other than what you have
5 already told me, do you believe you have
6 already told me about all of the meetings with
7 -- that are referenced in this sentence we have
8 been looking at in Exhibit 42 that you took
9 part in?

10 A. I think I have told you about all
11 of the meetings that I can recall that had to
12 do with Nuclear Development that involved
13 government officials, legislators, DOE, NRC,
14 governmental agencies and customers.

15 Q. And suppliers?

16 A. No other meetings with suppliers
17 -- potential suppliers that we haven't
18 discussed.

19 Q. All right. Well, prior to August
20 18, 2016, do you remember a meeting with
21 suppliers of TVA about the feasibility and
22 financing of the Bellefonte project?

23 A. Yes.

Page 71

1 Q. All right. Who do you recall
2 meeting with?

3 A. So I should preface the answer by
4 saying in the -- in the nuclear industry, there
5 is a small universe of suppliers who can
6 provide nuclear grade products and services.
7 And so if you are going to talk to anybody
8 about who might have the capability to provide
9 -- be a supplier of products or services in the
10 furtherance of completing the Bellefonte
11 project, you are almost always going to be
12 talking to someone who has done business in one
13 way or another with TVA.

14 So we -- we had discussions with
15 AREVA whose name later changed because of a
16 corporate restructuring to Framatome. We had
17 discussions with AECOM, Bechtel, Fluor
18 Corporation, Sargent & Lundy, SNC-Lavalin,
19 Connectrix, Incorporated, Austin, General
20 Electric, Westinghouse, BWXT, which used to be
21 Babcock & Wilcox Canada. Those are the ones I
22 can recall right now.

23 Q. Nuclear Development ultimately

Page 72

1 entered into a contract with SNC-Lavalin,
2 correct?

3 A. Correct.

4 Q. Did Nuclear Development ultimately
5 enter into contracts with any of the other
6 entities that you have just listed?

7 A. We have had contract arrangements
8 with AECOM and AREVA/Framatome.

9 Q. What did they --

10 A. Those are the only other ones --
11 the only ones I am aware of that we had
12 contracts with.

13 Q. And what does AECOM do?

14 A. They are a architect, engineering,
15 construction company.

16 Q. What does AREVA/ -- is it
17 Framatome?

18 A. Framatome, uh-huh.

19 Q. What does it do?

20 A. Well, they do many, many things.
21 But relevant to the Bellefonte project, they
22 are the legacy owner of the nuclear steam
23 supply system designed for the Bellefonte

William McCollum**11/12/2019**

Pages 73 to 76

Page 73	Page 75
<p>1 units.</p> <p>2 Q. And what was the contact with</p> <p>3 SNC-Lavalin concerning?</p> <p>4 A. It was concerning the construction</p> <p>5 completion of Bellefonte units.</p> <p>6 Q. What role was SNC-Lavalin going to</p> <p>7 play?</p> <p>8 A. Basically the lead construction</p> <p>9 coordinating entity.</p> <p>10 Q. When you submit your bills to</p> <p>11 Nuclear Development, do you list your time</p> <p>12 expended on the daily -- day-by-day basis?</p> <p>13 A. Yes.</p> <p>14 Q. And do you provide a description</p> <p>15 of what you did on that day?</p> <p>16 A. I have five or six categories of</p> <p>17 work that I group the hours into, but I don't</p> <p>18 provide unique descriptions associated with the</p> <p>19 hours.</p> <p>20 Q. So if you spent six hours on one</p> <p>21 day, would you list what categories you were</p> <p>22 working in on that day?</p> <p>23 A. Yes.</p>	<p>1 some privilege information. I will just have</p> <p>2 to look at that.</p> <p>3 MR. LEMBKE: If it's a categorical</p> <p>4 listing, it's hard to see how it is privileged,</p> <p>5 but one would think anything privileged could</p> <p>6 be easily redacted.</p> <p>7 MR. O'REAR: Well, I can take a</p> <p>8 look at that.</p> <p>9 Q. (BY MR. LEMBKE:) All right. If</p> <p>10 you would look at Exhibit 43, it has been</p> <p>11 previously marked.</p> <p>12 (Whereupon, Exhibit Number 43,</p> <p>13 having been previously marked for</p> <p>14 identification, was referenced in</p> <p>15 this deposition.)</p> <p>16 Q. Mr. McCollum, this is an email</p> <p>17 from Mr. Blust to Ms. O'Neill, copying you,</p> <p>18 dated September 9, 2016; do you see that?</p> <p>19 A. I see that.</p> <p>20 Q. And this appears to be the</p> <p>21 transmittal of Nuclear Development's Indicative</p> <p>22 Bid, correct?</p> <p>23 A. That's what it says.</p>
Page 74	Page 76
<p>1 Q. Okay. And would you break it</p> <p>2 down --</p> <p>3 A. When you say list, the -- rather</p> <p>4 than showing six hours, the invoice would show</p> <p>5 two hours spent in one category, three hours</p> <p>6 spent in another category, so forth, for that</p> <p>7 day.</p> <p>8 MR. LEMBKE: Have those been</p> <p>9 withheld on a claim of privilege?</p> <p>10 MR. O'REAR: I will be honest with</p> <p>11 you, I don't recall with respect to that</p> <p>12 exactly what has been produced. But no --</p> <p>13 MR. LEMBKE: Nothing has been</p> <p>14 produced.</p> <p>15 MR. O'REAR: No invoice for</p> <p>16 McCollum?</p> <p>17 MR. LEMBKE: Not -- not detailed</p> <p>18 like that.</p> <p>19 MR. O'REAR: I will have to look</p> <p>20 at that and see.</p> <p>21 MR. LEMBKE: I think we are</p> <p>22 entitled to those.</p> <p>23 MR. O'REAR: Well, there may be</p>	<p>1 Q. All right. And were you involved</p> <p>2 in preparation of Nuclear Development's</p> <p>3 Indicative Bid?</p> <p>4 A. No.</p> <p>5 Q. Did you review it before it was</p> <p>6 submitted?</p> <p>7 A. No.</p> <p>8 Q. Okay. Have you ever reviewed it?</p> <p>9 A. Well, I would say most likely when</p> <p>10 I got the email, I probably skimmed through it.</p> <p>11 Q. All right. But you have had no</p> <p>12 input into its content?</p> <p>13 A. There may have been information</p> <p>14 that I had provided to one of the Haney's or Mr.</p> <p>15 Blust that found its way into the bid, but I</p> <p>16 didn't participate in putting the bid together.</p> <p>17 Q. All right. Now, would you look at</p> <p>18 what has previously been marked as Exhibit 45?</p> <p>19 (Whereupon, Exhibit Number 45,</p> <p>20 having been previously marked for</p> <p>21 identification, was referenced in</p> <p>22 this deposition.)</p> <p>23 Q. In particular --</p>

William McCollum**11/12/2019**

Pages 77 to 80

<p style="text-align: right;">Page 77</p> <p>1 Well, first let me ask, this</p> <p>2 appears to be a series of emails on which you</p> <p>3 are copied from early October of 2016 about the</p> <p>4 draft purchase and sale contract, is that</p> <p>5 right?</p> <p>6 A. (Reviewing document.) Yes, that's</p> <p>7 what it says.</p> <p>8 Q. Okay. And if you look at the</p> <p>9 bottom of the first page, the email that</p> <p>10 continues on the second and third pages, did</p> <p>11 you have any input into the comments that were</p> <p>12 offered on behalf of Nuclear Development by Mr.</p> <p>13 Blust?</p> <p>14 A. (Reviewing document.)</p> <p>15 MR. O'REAR: Let me caution you</p> <p>16 that is a yes or no answer, and you are not to</p> <p>17 reveal any attorney-client communications.</p> <p>18 A. Okay. My answer is yes.</p> <p>19 Q. (BY MR. LEMBKE:) What did you</p> <p>20 have input on?</p> <p>21 MR. O'REAR: Objection. Instruct</p> <p>22 the witness not to answer which would reveal</p> <p>23 confidential attorney-client communications.</p>	<p style="text-align: right;">Page 79</p> <p>1 MR. LEMBKE: That was the</p> <p>2 question, did he have any --</p> <p>3 MR. O'REAR: Well, read the</p> <p>4 question.</p> <p>5 MR. LEMBKE: Would you read back</p> <p>6 the question?</p> <p>7 (Record read.)</p> <p>8 MR. O'REAR: Okay. That's a</p> <p>9 garbled question.</p> <p>10 Q. (BY MR. LEMBKE:) Did you have any</p> <p>11 involvement in the development of Nuclear</p> <p>12 Development's position that it wanted approval</p> <p>13 of the -- by the NRC of the transfer of the</p> <p>14 Bellefonte construction permits to be a</p> <p>15 condition for closing?</p> <p>16 MR. O'REAR: And I will instruct</p> <p>17 you not to answer if answering requires you to</p> <p>18 reveal attorney-client communications.</p> <p>19 A. No.</p> <p>20 Q. (BY MR. LEMBKE:) Who is Jim</p> <p>21 Chardos?</p> <p>22 A. Jim Chardos is the TVA/Bellefonte</p> <p>23 site manager and the lead manager for TVA for</p>
<p style="text-align: right;">Page 78</p> <p>1 Q. (BY MR. LEMBKE:) Well, do you</p> <p>2 recall with whom you communicated whatever</p> <p>3 input you had into this email?</p> <p>4 A. Larry Blust.</p> <p>5 Q. And was it a phone call or an</p> <p>6 email, do you know?</p> <p>7 A. My recollection is there were</p> <p>8 phone calls.</p> <p>9 Q. Did you have any involvement in</p> <p>10 Nuclear Development's -- in the development of</p> <p>11 Nuclear Involvement's (sic) position that it</p> <p>12 wanted approval of the transfer of the</p> <p>13 construction permits to be a condition to</p> <p>14 closing?</p> <p>15 MR. O'REAR: Objection, same</p> <p>16 instruction. If answering that question</p> <p>17 requires you to reveal confidential</p> <p>18 attorney-client communications, I instruct you</p> <p>19 not to answer.</p> <p>20 MR. LEMBKE: Whether he had any</p> <p>21 involvement.</p> <p>22 MR. O'REAR: That's not what I</p> <p>23 heard from your question.</p>	<p style="text-align: right;">Page 80</p> <p>1 the transition following the sales agreement --</p> <p>2 purchase and sales agreement.</p> <p>3 Q. Did you ever have any interaction</p> <p>4 with Mr. Chardos while you were the chief</p> <p>5 operating officer at TVA?</p> <p>6 A. Yes.</p> <p>7 Q. What was the nature of that</p> <p>8 interaction?</p> <p>9 A. Jim was the manager of the</p> <p>10 Bellefonte site at that time also, and we</p> <p>11 had -- I have been to the site a number of</p> <p>12 times while I was chief operating officer,</p> <p>13 toured the site. Jim, best of my recollection,</p> <p>14 always led us around the site on those tours</p> <p>15 and accompanied us, among other reasons,</p> <p>16 because from a personnel safety standpoint, Jim</p> <p>17 understood the site and where the hazards were</p> <p>18 and could keep visitors away from those.</p> <p>19 We also had a -- at one point we</p> <p>20 had a meeting of the TVA Board operating</p> <p>21 committee -- nuclear and operating committee --</p> <p>22 subcommittee down at the site. Jim Chardos</p> <p>23 hosted that and led us on a tour at that time.</p>

William McCollum**11/12/2019**

Pages 81 to 84

<p style="text-align: right;">Page 81</p> <p>1 So I had numerous contacts with him, all of 2 them related to visiting the site.</p> <p>3 Q. Once you left TVA and became a 4 consultant for Nuclear Development, what do you 5 recall as your first interaction with Mr. 6 Chardos?</p> <p>7 A. Following the -- following the 8 auction, at some point following the auction I 9 contacted Mr. Chardos to talk about getting 10 onto the site, taking a look at the current 11 condition of the site, and -- and that sort of 12 thing.</p> <p>13 Q. And I am assuming he made those 14 arrangements?</p> <p>15 A. At some point in time, yeah. Not 16 immediately, but later on, yes.</p> <p>17 Q. All right. What other 18 interactions did you have with Mr. Chardos in 19 the post-auction time period?</p> <p>20 A. Emails and telephone conversations 21 about things going on at the site, work they 22 were doing, visits that we were planning. 23 There was a point in time when one of the</p>	<p style="text-align: right;">Page 83</p> <p>1 information that they were able to provide to 2 SNC-Lavalin and their people.</p> <p>3 Q. Anything else?</p> <p>4 A. I think that characterizes my 5 discussions with him.</p> <p>6 Q. When is the last time you recall 7 having a phone conversation with Mr. Chardos?</p> <p>8 A. It would have been the early part 9 of this year regarding the ability to visit the 10 Bellefonte site.</p> <p>11 Q. And what -- was there a request 12 made to visit it?</p> <p>13 A. Yes. We had made -- we had made a 14 couple of requests to get on site and tour the 15 facility with other people.</p> <p>16 Q. This is after the lawsuit had 17 begun?</p> <p>18 A. (No response.)</p> <p>19 Q. I'll represent to you the lawsuit 20 was filed on or about November 30th, 2018, last 21 year.</p> <p>22 A. Uh-huh, yes, after the lawsuit was 23 filed.</p>
<p style="text-align: right;">Page 82</p> <p>1 containment tendons, which is a large steel 2 rope that post tensions the concrete in the 3 reactor containment building, one of those on 4 site failed. I had a number of discussions 5 with him about what happened there and what 6 steps TVA was taking to ascertain why the 7 failure occurred. So a lot of conversations 8 about just things that were going on at the 9 site, what the current status was, and then any 10 visits that we were planning down at the site.</p> <p>11 Q. And does that describe, to the 12 best of your recollection, the nature of all of 13 your interactions with Mr. Chardos in the 14 post-auction time period?</p> <p>15 A. When -- once the SNC-Lavalin 16 people got on site and were reviewing the 17 condition of the site, trying to validate 18 construction estimates and that sort of thing, 19 there were a number of conversations I had with 20 Mr. Chardos about his coordination with the 21 SNC-Lavalin people, information that they 22 needed, schedules, and his -- what his 23 understanding was of the schedules and the</p>	<p style="text-align: right;">Page 84</p> <p>1 Q. And there was no lawyer for TVA on 2 the call when you contacted Mr. Chardos, is 3 that correct?</p> <p>4 A. Not that I am aware.</p> <p>5 Q. And to your knowledge, did Nuclear 6 Development obtain advance permission from TVA 7 or its lawyers to contact Mr. Chardos directly 8 with a request of that nature?</p> <p>9 A. Not that I am aware.</p> <p>10 Q. And what did Mr. Chardos tell you?</p> <p>11 A. That we weren't allowed to come on 12 site and we weren't going to have any contact 13 with the site.</p> <p>14 Q. And you made that call in your 15 capacity as CEO of Nuclear Development, 16 correct?</p> <p>17 A. On behalf of Nuclear Development, 18 yes.</p> <p>19 Q. And did you tell any lawyer for 20 Nuclear Development that you were going to make 21 that call before you did it?</p> <p>22 A. No.</p> <p>23 Q. Have you had any email</p>

William McCollum**11/12/2019**

Pages 85 to 88

<p style="text-align: right;">Page 85</p> <p>1 communications with Mr. Chardos since that</p> <p>2 time?</p> <p>3 A. Not that I recall.</p> <p>4 Q. At any point did you have any</p> <p>5 discussion with Mr. Chardos about him playing</p> <p>6 any role for Nuclear Development after a</p> <p>7 closing?</p> <p>8 A. No.</p> <p>9 Q. Have you had any discussions with</p> <p>10 anyone else from TVA since the initiation of</p> <p>11 the litigation?</p> <p>12 A. Anyone who's currently employed</p> <p>13 with TVA?</p> <p>14 Q. Yes, sir.</p> <p>15 A. No.</p> <p>16 Q. Now, you drew a distinction</p> <p>17 currently employed; have you had conversations</p> <p>18 with people formerly employed?</p> <p>19 A. Yes.</p> <p>20 Q. Who?</p> <p>21 A. Preston Swafford who was a former</p> <p>22 chief nuclear officer of TVA who then worked</p> <p>23 for SNC-Lavalin and who is now retired.</p>	<p style="text-align: right;">Page 87</p> <p>1 MR. O'REAR: That's fine.</p> <p>2 THE VIDEOGRAPHER: This deposition</p> <p>3 is adjourned at 5:19 p.m.</p> <p>4</p> <p>5 (Deposition was adjourned at 5:19 p.m.)</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p>
<p style="text-align: right;">Page 86</p> <p>1 Q. And did you have a discussion with</p> <p>2 him about Bellefonte?</p> <p>3 A. Yeah, yes.</p> <p>4 Q. And what was the nature of that</p> <p>5 conversation?</p> <p>6 A. The fact that we were in the</p> <p>7 lawsuit and that the work with SNC-Lavalin was</p> <p>8 suspended for now.</p> <p>9 Q. Any other former TVA employees</p> <p>10 that you have had discussions about Bellefonte</p> <p>11 with post initiation of the litigation?</p> <p>12 A. Not that I can recall.</p> <p>13 MR. LEMBKE: Let's go off the</p> <p>14 record for a second.</p> <p>15 THE VIDEOGRAPHER: We are off the</p> <p>16 record at 5:18 p.m.</p> <p>17 (Whereupon, a break was had from</p> <p>18 5:18 p.m. until 5:19 p.m.)</p> <p>19 THE VIDEOGRAPHER: Back on the</p> <p>20 record at 5:19 p.m.</p> <p>21 MR. LEMBKE: It is now 5:19 p.m.,</p> <p>22 and we are going to adjourn the deposition</p> <p>23 until tomorrow morning at 9 a.m.</p>	<p style="text-align: right;">Page 88</p> <p>1 C E R T I F I C A T E</p> <p>2</p> <p>3 STATE OF ALABAMA</p> <p>4 JEFFERSON COUNTY</p> <p>5</p> <p>6 I hereby certify that the above</p> <p>7 and foregoing deposition was taken down by me</p> <p>8 in stenotypy, and the questions and answers</p> <p>9 thereto were reduced to typewriting under my</p> <p>10 supervision, and that the foregoing represents</p> <p>11 a true and correct transcript of the deposition</p> <p>12 given by said witness upon said hearing.</p> <p>13 I further certify that I am</p> <p>14 neither of counsel nor of kin to the parties to</p> <p>15 the action, nor am I in anywise interested in</p> <p>16 the result of said cause.</p> <p>17</p> <p>18</p> <p>19</p> <p>20 /s/ Gail B. Pritchett</p> <p>21 COMMISSIONER-NOTARY PUBLIC</p> <p>22 ACCR LICENSE NO. 116, Exp. 9/30/2020</p> <p>23 Transcript Certified On 11/24/2019</p>

William McCollum**11/12/2019**

Page 89

A	agreement 80:1 80:2	AREVA 71:15	57:23 63:3	86:2,10
a.m 86:23	ahead 51:6	AREVA/72:16	72:11 84:4,9	beneficial 64:13
ability 9:19 47:2 83:9	Alabama 1:2,16 2:10 3:9 7:3,4 7:11 8:1 9:11 50:11,23 63:18 64:9 68:17 88:3	AREVA/Fra... 72:8	Ayliffe 3:13 8:9 8:9	benefit 17:11
able 39:10 40:23 83:1	allow 39:15,15	arrangement 40:22 41:2	B	Bentley 63:17 64:22 65:7
accompanied 80:15	allowed 84:11	arrangements 52:8 72:7 81:14	B 1:20 6:6 7:1 88:20	Bentley's 65:3
ACCR 88:22	amount 28:4 42:6	ascertain 82:6	Babcock 71:21	best 9:19 17:11 26:15 27:19 28:21 36:4 56:15 66:10 70:1 80:13 82:12
accurate 33:17	amounts 25:21 30:16	Ashville 10:19	back 35:14 59:20 79:5 86:19	beyond 48:2 55:17 58:16
acquisition 16:19	analyses 47:11	asked 35:15,16 37:5,6	background 55:6,13	bid 5:17 60:1 75:22 76:3,15 76:16
acting 7:5	answer 9:18 33:9 37:8,8,10 41:18,20 45:7 71:3 77:16,18 77:22 78:19 79:17	assign 6:19 64:20	Bar 20:22 22:15	Bill 33:2 64:8
action 1:4 64:17 64:20 88:15	answers 88:8	associated 69:22 73:18	based 39:15	billed 30:19
active 18:17	anybody 71:7	assume 9:22	Basically 39:21 73:8	billion 22:8,12
activities 16:17	anywise 88:15	assuming 81:13	Bates 36:11,12	bills 73:10
activity 16:19 48:15,18	appears 75:20 77:2	attached 11:11 62:22 65:9 66:20,22 68:3 68:10	Beach's 34:11	Birmingham 1:16 3:9 7:3,11
addition 15:1 18:7 57:3	application 11:11 19:3 35:11 57:11,13 59:7	attended 56:7 62:22 65:9 66:20,22 68:3 68:10	Bechtel 71:17	bit 41:4 45:20
additional 66:14 66:15,15	approval 78:12 79:12	auction 60:2,20 81:8,8	Beekeeper 10:15	Blust 2:14 5:14 8:15,15 26:10 31:4 36:8 38:11 42:15 60:13 67:12 75:17 76:15 77:13 78:4
address 10:14 10:20	applications 19:8,14,18	attorney 2:5,15 3:5 36:14 37:3	began 29:22	board 40:7 49:7 69:11 80:20
adjourn 86:22	approv 78:12 79:12	attorney-client 77:17,23 78:18 79:18	beginning 7:19 12:7	bottom 60:7 77:9
adjourned 87:3 87:5	approximately 14:9	attorney 71:19	begun 83:17	Boult 1:13 3:6 7:10
advance 84:6	April 12:13	Authority 1:9 3:16 7:22 20:13 39:13	behalf 77:12 84:17	brad@crtrialt... 4:6
advice 39:22 40:1	apt 10:8	August 13:20 14:17 60:14 61:21 66:13 67:1,7 70:19	believe 38:7 43:5 70:5	Bradley 1:13 3:6 7:9
advised 16:18	Arant 1:13 3:6 7:9	Avenue 1:15 3:8 7:11	Bellefonte 26:22 38:20,22 39:4 40:5,9,16 41:7 41:13 42:2,6 43:7,18 44:13 44:22 45:2,10 47:2 49:8 52:3 52:10 60:3,20 66:4,18,19 67:16 68:21 69:18 70:22 71:10 72:21,23 73:5 79:14 80:10 83:10	break 10:3 59:15,18 74:1 86:17
adviser 58:2	architect 72:14	aware 21:2,5,9 21:14,14 43:10 43:13,17 44:11 44:14 48:14 51:12,13 57:21	Bechtel 71:17	breaks 10:5
Advisors 60:14 60:18	areas 58:4,15,20		Bechtel 71:17	broad 33:8
AECOM 71:17 72:8,13	Arendall 2:6		Bechtel 71:17	
affirmatively 54:16			Bechtel 71:17	
agencies 61:8 68:14 70:14			Bechtel 71:17	
agency 44:5 54:22			Bechtel 71:17	
ago 9:9 26:18 32:3 56:23			Bechtel 71:17	
AGREED 6:2			Bechtel 71:17	

William McCollum**11/12/2019**

Page 90

Brooks 66:22	73:21	39:11 41:8	18:16 19:13	Congressman
brought 9:10	category 74:5,6	42:2,11 43:4	30:4,7 63:22	65:20
BS 11:14	cause 7:14 88:16	43:23 44:10	72:15	conjunction
Bud 48:11,13	caution 77:15	53:21 80:4,12	comparable	32:5,9
budget 21:3	CE 60:14	85:22	22:5	connection 60:1
building 82:3	CEO 25:7 26:1	Chin 3:14 8:11	compared 28:2	60:19 63:13
bulk 18:10	26:12 27:3,6	8:11	comparisons	Connectrix
business 10:20	27:12 31:11	circumstances	47:12	71:19
15:3 16:12,16	47:15,23 48:2	23:2	compensated	considerations
16:17 25:5	58:6,11 84:15	civil 1:4 7:6	29:5,9	24:12
30:6 41:2,3,12	CEOs 69:14	31:15	competitor 30:1	considered 42:8
41:15,22 42:1	certain 26:11	claim 74:9	competitors	consistently
42:9,13 43:8	42:5 43:13	clarify 39:13	29:20	25:20
45:21 71:12	certainly 21:2,9	clear 10:10	complete 40:8	constrain 39:9
buy 52:12	21:12 24:3	46:10	40:23,23 45:16	construct 19:17
buying 18:11	33:11 41:11	clients 25:5	47:2 56:11	constructed
BWXT 30:9	44:14,20	closing 78:14	69:19	21:15
71:20	Certified 1:21	79:15 85:7	completed 21:17	construction
	6:6 7:1 88:23	CNO 26:1 27:3	22:4,7,10,17	18:13,15,17,19
C	certify 7:5 88:6	27:10	57:19	18:21 19:3
C 2:1 3:1,14 4:1	88:13	Cohen 65:19,20	completing	20:20,22 21:7
5:14 60:14	Chandler's 34:5	college 12:8,9	56:13 71:10	21:11,16,23
88:1,1	change 14:10	combined 17:23	completion	22:15 35:12
Caine 2:4 8:13	58:13	come 65:2 84:11	21:23 73:5	59:6,8 72:15
calendar 29:1	changed 18:7	coming 64:17	compliance 6:12	73:4,8 78:13
call 78:5 84:2,14	71:15	commencing	compound	79:14 82:18
84:21	characterizes	7:13	51:21	consultant
calls 57:4,7,9	83:4	comments 24:3	comprehensive	25:15 39:4
78:8	Chardos 79:21	33:15 34:14	45:16	40:20 81:4
Campbell 4:4	79:22 80:4,22	35:4,7 77:11	Concentric	consulting 24:22
Canada 30:9	81:6,9,18	commission	60:18	25:4 29:7,13
71:21	82:13,20 83:7	17:3 68:5	concerning 73:3	29:23 38:18
capability 71:8	84:2,7,10 85:1	Commissioner	73:4	contact 73:2
capacity 84:15	85:5	6:6 7:5	concrete 82:2	84:7,12
Carolina 10:16	charge 21:21	COMMISSIO...	condition 78:13	contacted 38:9
10:17 17:20	Charlotte 12:3	88:21	79:15 81:11	39:11 61:5
18:18 19:23	16:3	committee	82:17	81:9 84:2
51:1	Chattanooga	32:12 80:21,21	confident 43:21	contacts 81:1
Carrie 60:18	49:21 50:6,15	common 21:11	confidential	containment
case 8:2 16:18	53:5 54:12	communicated	41:12,15 42:1	82:1,3
37:1	69:11	78:2	42:9,12 43:8	content 76:12
Catawba 13:1	Cherokee 19:15	communicatio...	77:23 78:17	continued 58:18
15:12 21:19	19:19	77:17,23 78:18	conformity	continues 77:10
22:1,3,5,11	Chicago 2:18	79:18 85:1	21:16	continuing 3:1
categorical 75:3	chief 20:3,12,16	company 12:10	congressional	4:1
categories 73:16	23:19 25:9	12:12,19 16:13	32:12 65:22	contract 5:19

William McCollum

11/12/2019

Page 91

26:20 29:1,7 29:14 43:13 72:1,7 77:4 contractor 30:5 contractors 27:18 contracts 72:5 72:12 contribute 24:8 conversation 83:7 86:5 conversations 33:12 34:1,8 34:15 35:5,11 35:19,22 38:23 81:20 82:7,19 85:17 Cooper 50:23 52:20 53:11 Cooperative 50:8,9,10,16 50:17,23 52:21 53:7 coordinating 27:17 73:9 coordination 82:20 copied 77:3 copy 60:15 copying 75:17 corear@hand... 2:12 corporate 15:23 16:3 37:23 71:16 corporation 17:17 18:10 51:7 69:12 71:18 correct 11:17 12:20 13:3,13 13:22 14:20 18:4 20:1,6,9 22:23 23:1 24:5,6 25:14 41:9,10,13	49:18,19 50:12 50:14 51:15,16 52:13 53:3,4,5 54:4,6,7 60:15 61:14 72:2,3 75:22 84:3,16 88:11 cost 17:10 21:10 22:12,20 47:11 47:11,12 costing 22:16 costs 46:20,21 counsel 3:15 6:4 6:16,18 7:8 8:5 35:20 36:22 88:14 country 22:7 COUNTY 88:4 couple 83:14 court 1:1 6:13 7:7,23 8:22 9:11 10:6 Courtroom 4:5 Cramer 48:13 48:17 Cramer's 48:12 create 45:3 Credit 54:21 55:1 Crosswhite 64:8 Cummings 1:13 3:6 7:10 current 52:23 55:5 57:12 81:10 82:9 currently 85:12 85:17 customer 17:11 customers 52:23 54:3 61:8 69:4 69:15,22 70:14 <hr/> D <hr/> D 3:13 daily 73:12 date 7:6 8:2	57:20 67:9,11 68:1,3 dated 75:18 David 2:14 3:13 8:9 day 7:12 26:14 73:15,21,22 74:7 day-by-day 73:12 ddayliffe@tva... 3:20 December 14:18 15:7,18 decided 23:15 49:7 decision 24:9,10 40:8 59:23 declare 49:7 deemed 43:7 defendant 1:10 3:3 7:22 8:8,10 8:12 31:15 definite 47:9 definitive 57:20 Democrat 62:8 Department 55:21 56:6,8 56:17 57:5,18 66:17 68:18 departure 23:3 depending 25:21 deposition 1:12 6:4,10,11,20 7:19 9:13 31:23 32:13,14 32:21,23 33:3 33:14,21 34:1 34:5,12,15 35:1,2,6,16,18 36:16 59:4 60:12 75:15 76:22 86:22 87:2,5 88:7,11 depositions 6:14	31:18 32:5 33:1 36:17 describe 20:16 82:11 description 73:14 descriptions 73:18 designed 72:23 detailed 74:17 details 43:13 develop 19:16 46:5 developing 38:16 39:22 59:5 62:16 development 1:6 7:21 8:14 8:16 9:12 11:13 16:12,17 16:17 17:8 25:2,7,10,13 25:17,20 26:2 26:6,9,13,21 27:2,7,13,21 28:6 29:6,20 29:23 30:2,5 30:13,20 31:6 37:14 38:1,6 39:10,17,20 40:15 44:7 45:22 48:5 57:11 58:5,12 58:21 59:3,9 59:12 60:1 62:13 63:14,23 65:11 66:4,18 67:8,16 68:4 68:11,16,22 70:12 71:23 72:4 73:11 77:12 78:10 79:11 81:4 84:6,15,17,20 85:6 Development's	36:22 54:5 75:21 76:2 78:10 79:12 differ 14:21 52:5 differed 35:12 difference 15:11 different 10:21 17:7 23:14 46:5 52:8 58:18,22 69:14 difficult 10:9 direct 15:2,4 directly 84:7 director 67:14 disagreed 33:6 33:13 34:2,9 34:16 35:6,9 discuss 68:19 discussed 23:14 58:8,17 62:16 70:18 discussing 48:17 discussion 49:14 55:1 64:6,12 64:16 85:5 86:1 discussions 45:15 48:5,8 48:21 49:3,17 49:20 50:1,7 50:18,21 51:18 51:23 52:5 54:6,8,15,20 54:22 55:9,20 56:5,9 59:10 65:5 71:14,17 82:4 83:5 85:9 86:10 distinction 85:16 district 1:1,2 7:7 7:23 8:1 65:22 Division 1:2 8:1 document 11:4 11:5 61:1 67:23 77:6,14
---	--	---	--	--

William McCollum

11/12/2019

Page 92

documents 36:16,20,23 DOE 61:7,13 62:17 63:4 70:13 doing 25:17 29:22 30:3 81:22 dollars 22:9,12 29:11 30:12 dozen 31:21 56:19 draft 5:19 77:4 dramatically 17:19 drew 85:16 Drive 3:17 drop-ins 68:5 Duke 12:10,11 12:13,18 13:2 15:19 16:7,10 16:13,14 17:2 17:13,15 18:20 19:2,6,13 20:5 32:6 duly 8:19 duties 20:16 Dym 2:16	Electric 50:9,17 53:9 54:12 71:20 electrical 11:15 electricity 55:6 email 5:13,16,18 60:13 75:16 76:10 77:9 78:3,6 84:23 emails 36:23 77:2 81:20 employed 85:12 85:17,18 employee 25:12 employees 27:14 86:9 Energy 20:5 55:21 56:6,8 56:17 57:5,18 66:17 engineering 11:15,21 12:16 13:17 15:3 18:9 72:14 enter 72:5 entered 72:1 Entergy 51:7 52:21,22 entire 16:1 18:10 entities 29:16 48:7 51:18 52:23 54:15,19 59:11 72:6 entitled 74:22 entity 56:1 73:9 environmental 68:18,20 escapes 62:7 estimate 26:15 27:20 28:21 36:4 56:15 57:22 estimates 56:12 59:6 82:18 ethics 39:7,11	39:14 44:1,3,9 44:11,17 45:17 event 66:19,22 evidence 6:21 evolved 47:9,14 47:23 58:3 exact 30:14 31:20 46:7 49:15 68:23 exactly 28:22 42:7 56:18 69:10 74:12 examination 5:1 5:3 7:15 9:4 examined 8:19 example 47:12 excuse 14:14 30:19 65:20 executive 20:3 39:8 67:14 Exhibit 5:8,13 5:16,18 11:1,2 60:6,9 70:8 75:10,12 76:18 76:19 EXHIBITS 5:6 5:11 existing 19:18 Exp 88:22 expand 17:19 48:1 expended 73:12 experience 25:1 expertise 55:18 explained 44:17 expressed 44:23 expressly 44:10 45:8 extensive 17:5 extent 41:19	facility 19:4 83:15 fact 86:6 failed 82:4 failure 82:7 fair 20:8 45:7 fairly 40:21 family 24:11 far 58:4 feasibility 61:9 69:5 70:21 federal 1:14 3:7 7:6,10 9:11 44:8 feedback 23:17 24:8 feel 39:16 Fifth 1:15 3:8 7:11 fifty 30:20 figure 22:18 30:14 64:23 filed 7:22 83:20 83:23 final 22:18 57:14,18 financing 46:9 48:6 54:15,19 56:1 61:10 69:5 70:22 find 17:9,9 40:21,22 52:9 fine 9:1,2 42:22 87:1 finish 47:20 55:14 firm 36:14 first 8:19 21:20 25:16 29:1 38:6,10 40:20 49:2,9,13 65:17 77:1,9 81:5 five 73:16 fleet 17:18 18:1 18:12	fluctuates 28:16 Fluor 71:17 FOIA 43:12 following 7:15 80:1 81:7,7,8 follows 8:20 force 6:11 foregoing 7:8 88:7,10 form 6:17 45:11 formed 24:21 former 44:5 85:21 86:9 formerly 85:18 forth 45:3 55:15 69:20 74:6 forward 59:13 fossil/hydro 17:15,18 18:8 found 38:23 76:15 Framatome 71:16 72:17,18 frame 22:9 25:3 62:2 68:23 Frank 26:5 31:7 36:8 67:11 Franklin 26:3,5 26:7 31:8 62:14,15,22 63:2 67:12 front 32:11 fuel 14:11 full 6:12 29:1 function 12:18 15:12 16:14 functions 13:7 13:17 14:4 16:1,5 20:20 fundamental 58:20 funding 63:4 further 59:13 65:5 88:13 furtherance 71:10
--	---	---	---	---

William McCollum

11/12/2019

Page 93

future 17:6	65:9,16 66:12 67:2 70:13	60:2 66:18	indicate 24:17 67:23	invoice 74:4,15
G	governmental	help 27:23 39:22	indication 57:17	invoices 29:8 30:15 31:3
Gaffney 18:18 19:22	61:6,8 63:12 68:14 70:14	helped 55:11	Indicative 5:17 75:21 76:3	involved 38:6 44:16 48:11,16
Gail 1:20 6:6 7:1 88:20	Governor 63:17 64:22 65:2,7	higher 28:13,16	industry 21:10 71:4	53:16 54:20 55:20 59:11,23
garbled 79:9	governor's 63:23	Hill 3:17	inform 47:1	61:16,22 62:4 62:12 65:4
Gas 49:17	grade 71:6	history 46:22	information 41:12,16,22	70:12 76:1
gas-fired 47:13	graduated 12:9	hold 25:8 27:1	42:1,6,9,13	involvement 53:19 56:5
general 3:15 40:21 47:11	graduation 12:8	Holdings 24:18 24:20 28:5	43:6,8 44:2,12	78:9,21 79:11
52:9 64:21 71:19	ground 19:20	home 10:13	44:21 45:6,10	Involvement's 78:11
generally 20:16	grounds 6:19	honest 74:10	55:2,4,7,12,13	involves 37:3
generation 12:18 17:7,15	group 16:1 73:17	hosted 80:23	56:14 57:10	involving 32:18
18:8,13 20:4 20:19 47:13	groups 51:19	hour 29:12	75:1 76:13	IRS 61:7 68:9 68:10
Georgia 11:15 11:21 22:10	guarantee 62:18	hours 29:8 30:21 36:3	initial 38:23	item 64:17,20
getting 55:10,17 62:17 81:9	guys 64:22	73:17,19,20 74:4,5,5	initially 21:17	
give 30:17 31:20 32:8 62:6	H	house 66:19	initiation 85:10 86:11	J
given 9:13 28:14 31:19 32:12,20	H 3:4	Howe 17:21	input 46:14,16 47:7,11 76:12	January 13:10 30:10
44:4 45:1 88:12	half 49:9 56:19	Hughes 2:16	77:11,20 78:3	JEFFERSON 88:4
gives 25:23	Hand 2:6	human 13:5	instruct 77:21 78:18 79:16	Jim 79:20,22 80:9,13,16,22
go 12:22 17:5 45:4,5 51:6	handwritten 37:13	hundred 29:11 30:20	instruction 78:16	job 12:10 27:6 27:10
86:13	Haney 26:3,5,5 31:7,8 36:8	Huntsville 9:11 49:23 50:2	integrated 16:16 16:21,23	Joe 50:8,10,16 53:7 54:13
goal 17:9	62:14,20,22 67:12,12	hydro/fossil 17:23	intensive 14:11	Johnson 33:11 64:7,8
goes 59:13	Haneys 76:14	I	Intent 51:9,11 51:14	Johnson's 33:3
going 9:16 11:1 17:16,18 42:16	happen 65:1	idea 52:9,11	interaction 80:3 80:8 81:5	Jr 1:12 6:5 7:14 8:18 9:7
48:17 51:20	happened 82:5	identification 11:3 60:11	interactions 81:18 82:13	July 25:4
60:7 67:22	happy 9:22 10:4	75:14 76:21	interest 23:9,10 38:15 62:16	June 22:22 30:11
71:7,11 73:6	hard 75:4	III 2:4	interested 38:17 61:6,17 63:2	K
81:21 82:8	hard-copy 36:23	Illinois 2:18	88:15	keep 37:12,18 37:21 80:18
84:12,20 86:22	Harry 62:9,10 62:12,20,21	immediately 81:16	introduced 9:9 63:9	keeps 37:23
good 23:13,16 24:14	hazards 80:17	include 17:20	introductions 64:6	Kentucky 17:22
government 61:17,23 62:3	head 37:17 54:16	including 14:2		
	headquarters 16:4	Incorporated 71:19		
	heard 78:23	Incorrect 45:12		
	hearing 88:12	INDEX 5:1,6,11		
	held 12:16 15:8	Indiana 17:21		

William McCollum**11/12/2019**

Page 94

kin 88:14	leaving 40:7	32:18 85:11	11:2 60:10	36:19
kind 51:10	led 80:14,23	86:11	75:11,13 76:18	Memphis 33:17
55:12	left 22:17,19,22	little 22:4 41:3,4	76:20	49:17 50:5,15
knew 42:5,5	24:13 40:10	45:20	market 55:5,5	51:9,13 52:1
44:20	81:3	LLC 1:6 2:6	marketing	52:12 53:2,17
know 9:16,21	legacy 72:22	7:21 24:18,20	18:11	53:22 54:6
10:6 30:14	legislators 61:7	24:21	marks 7:18	66:5
31:10,11 38:2	63:12 65:10,10	LLP 1:13 3:6	Matt 8:7 9:8	mention 33:23
38:3,4,19	65:15 66:12,20	7:10	matter 7:20	mentioned
40:10 41:2	67:2 70:13	loan 56:2 57:11	Matthew 3:4	36:18 51:19,19
42:7 43:20,20	Legislature 63:6	57:13,15 62:17	MBA 12:3	66:16
46:18 47:3	Lembke 3:4 5:3	63:5	McCollum 1:12	merchant 38:17
49:16 56:22	8:7,7 9:2,4,9	lobbying 48:12	6:5 7:13,20	merger 16:19
64:19,22 65:4	28:3 33:9	48:15,18	8:18 9:7,8 11:6	17:16
68:23 78:6	34:20 37:5,12	location 13:12	24:18,20 28:5	Messrs 3:13
knowledge 44:1	40:5,13,19	13:21 14:19	29:17 59:22	met 48:13 61:7
44:18 45:9	41:6,17,23	long 20:8 62:23	74:16 75:16	63:17 67:12
84:5	42:10,16,19	look 60:5 74:19	McCree 67:15	milestones
known 62:23	43:1,4 45:19	75:2,8,10	67:20 68:7	47:10
Knoxville 3:18	47:22 51:22	76:17 77:8	mean 14:6 32:15	million 30:12
	59:14,22 61:20	81:10	37:3 46:3	minutes 9:9
L	74:8,13,17,21	looking 17:6	meaning 16:18	mix 17:8,10
L 5:14 6:1	75:3,9 77:19	67:6 70:8	21:17	mlembke@br...
large 7:4 82:1	78:1,20 79:1,5	lot 82:7	means 32:16	3:11
larger 15:16	79:10,20 86:13	lowest 17:10	meant 17:17	Mo 66:21
Larry 2:14 8:15	86:21	Lundy 71:18	meet 66:21	Mobile 2:10
26:10 31:4	let's 12:22 59:14		meeting 56:20	model 45:21
38:11 60:13	86:13	M	61:13 62:5,11	modeling 17:6
67:12 78:4	Letter 51:8,11	Madison 2:17	62:15 63:8,13	moment 60:23
late 40:11,19	51:14	maintained 63:1	63:21 64:4,16	62:6
57:2 66:9	LICENSE 88:22	maintenance	64:18 66:2	Montgomery
law 2:5,15 3:5	licensing 19:8	13:11,16,16,17	67:8,21 68:6	68:22
62:22	19:14	14:3,12	68:10,15,17	month 25:22
laws 6:12	Light 49:17	Majority 62:8	69:9 70:20	30:21
lawsuit 9:10	Limit 37:10	making 45:16	71:2 80:20	monthly 29:8
83:16,19,22	limited 47:5	management	meetings 56:7	30:15
86:7	line 61:4	12:17 16:18	56:16 57:4,8	months 14:9
lawyer 42:17,20	liner 46:6	23:12,18 68:18	61:13,16,23	18:3 30:18
84:1,19	liners 46:7	manager 13:21	65:7,9,15	56:23 59:1
lawyers 42:19	list 12:15 25:1,4	14:22,23 15:2	66:11,15,16,16	Moody's 54:22
84:7	25:5 27:5,9	15:3,3 21:21	67:1,6,19 68:2	55:9
lblust@hspleg...	73:11,21 74:3	79:23,23 80:9	68:9 69:4 70:6	morning 86:23
2:20	listed 16:5 72:6	managers 69:13	70:11,16	moved 16:11
lead 73:8 79:23	listing 75:4	March 12:15,23	members 69:11	multiple 46:6
Leader 62:8	lists 45:4,5	mark 11:1	69:13	
leading 6:17	litigation 31:16	marked 5:11	memory 32:20	N

William McCollum

11/12/2019

Page 95

N 2:1 3:1 4:1 6:1 name 9:5,8 50:22 60:21 62:6 71:15 named 27:3 48:2 69:23 Nashville 50:3 nature 51:17,23 52:4 54:23 55:8 56:5 58:12 80:7 82:12 84:8 86:4 ND 61:5 ND4966- 5:14 ND4967 5:15 ND5048-ND5... 5:17 ND5152-ND5... 5:20 near 18:18 19:22 necessary 6:15 need 9:18,20 10:2,5,10 42:16 64:10,11 needed 82:22 negative 23:17 24:3,7 negatively 37:17 neither 88:14 never 19:21 54:2 new 18:13 47:12 58:15 Nodding 54:16 non-public 44:12,21 45:9 North 1:15 2:8 3:8 7:11 10:16 10:17 17:20 Northeastern 1:2 8:1 northern 1:1 7:23 17:21 Notary 1:23 6:8 7:3	notes 37:13,19 37:21 notice 24:23 November 1:17 7:12 8:3 11:12 13:11,19 15:17 25:18 38:7 83:20 NRC 11:12 19:8 61:7 66:16 67:6,8,14 68:3 70:13 79:13 nuclear 1:6 7:20 8:14,16 9:12 11:13,21 12:11 12:18 13:1,6,6 14:7,10 15:9 15:13,15,15,19 16:1,2,14,20 18:15,22 19:4 19:8,13,15,19 21:10,11,15,20 25:2,7,9,10,13 25:17,19 26:2 26:6,9,13,21 27:2,6,13,21 28:6 29:6,20 29:23 30:2,4 30:12,19 31:6 36:22 37:14 38:1,6,16 39:10,17,20 40:14 44:6 45:2,22 46:19 46:22 54:5 57:11 58:5,12 58:20 59:2,12 59:23 62:12 63:13,23 65:10 67:8 68:4,11 68:16,21 70:12 71:4,6,23 72:4 72:22 73:11 75:21 76:2 77:12 78:10,11 79:11 80:21	81:4 84:5,15 84:17,20 85:6 85:22 number 5:8,13 5:16,18 8:2 11:2 19:14 21:13 22:6 23:14 31:21 56:16,22 60:9 60:23 65:21 69:17 75:12 76:19 80:11 82:4,19 numbered 60:23 numerical 60:8 numerous 81:1 <hr/> O O 6:1 O'Neill 5:14 60:14,18 75:17 O'Rear 2:4 8:13 8:13 9:1 28:2 33:7 34:17 36:8,14 37:2,7 37:10 40:4,17 41:14,19 42:4 42:14,18,21 43:3 45:11 47:19 51:20 61:18 74:10,15 74:19,23 75:7 77:15,21 78:15 78:22 79:3,8 79:16 87:1 oath 9:18 object 37:2 45:11 51:20 objection 33:7 34:17 41:14 42:4 77:21 78:15 objections 6:16 6:19 obtain 84:6 obtained 11:20	12:2 68:20 obviously 63:4 occupied 28:7 occur 35:22 66:6 70:2 occurred 21:12 64:5 68:22 82:7 occurring 64:4 Oconee 12:11 15:9 October 15:8 77:3 offered 6:21 77:12 office 3:15 15:23 27:2 56:2 57:15 63:5,23 officer 20:4,12 20:17 23:19 25:10 39:12 41:8 42:3,11 43:5 44:1,11 53:21 80:5,12 85:22 officers 31:5,12 offices 7:9 officials 55:20 56:17 57:5 61:6,17,23 62:4 63:12 65:9,16 66:12 67:2 70:13 Oh 28:22 32:17 51:5 okay 9:23 10:1 10:11,12 14:17 16:9 20:2 27:19 28:9,23 29:5 31:2,14 32:17,22 33:5 33:18 35:8 36:15 37:7,21 39:19 43:23 48:20 49:12 53:15 54:2	55:19 60:22 67:22 68:8 69:8 70:1,4 74:1 76:8 77:8 77:18 79:8 once 57:6 81:3 82:15 ones 54:11 69:23 71:21 72:10,11 ongoing 54:6,9 59:6,8 online 69:20 open 66:19 operate 46:21 operated 19:21 operating 16:2 20:12,17 23:19 41:8 42:3,11 43:5 46:19 53:21 80:5,12 80:20,21 operation 14:2 15:16 20:19 22:2 41:1 56:12 69:20 operations 12:17 14:2 20:20 67:14 opposed 15:12 15:15 16:13 optimum 17:9 oral 7:14 order 56:19 60:8 organization 15:5 23:15 69:16 original 21:16 22:3 outage 14:3,5,8 14:16 outages 14:3 output 52:12,17 outside 18:12 overruns 21:10 oversaw 22:14 53:22
---	--	---	--	---

William McCollum

11/12/2019

Page 96

oversee 18:21 19:2,7 20:21 overseeing 24:4 overseen 41:6 owner 24:17 72:22 owner/manager 26:7 31:8 ownership 46:9	83:15 85:18 percent 28:8,14 percentage 27:20,23 28:4 28:5 perform 14:11 performance 23:19,23 performed 58:5 58:16 period 14:14,15 47:4 81:19 82:14 periodicity 17:3 permission 84:6 permit 19:4 permits 35:12 59:8 68:20 78:13 79:14 person 67:13 personal 24:11 personally 31:14 personnel 80:16 pertaining 23:3 37:13 41:12 42:2 43:7,17 44:12 68:10,16 phone 57:4,9 78:5,8 83:7 Piers 2:16 Place 1:14 3:7 7:10 placed 9:18 17:14,22 plaintiff 1:7 2:3 7:21 8:14,16 31:15 planned 21:18 planning 13:16 16:12,15,16,22 16:23 17:5 19:16 81:22 82:10 plant 14:8 18:22 19:9,15,16,19	21:11,15 38:16 38:17 40:23 46:5,19,22 52:3 55:3,13 55:14 plants 18:15 22:6 56:14 play 73:7 playing 85:5 pleasantries 64:6 please 8:5 point 10:2 40:11 41:5 48:2 51:14 61:18,20 63:6 68:9,15 69:9 80:19 81:8,15,23 85:4 position 15:6 16:6 17:13 18:7 44:5 78:11 79:12 possessed 44:11 possession 43:6 possibility 66:5 post 82:2 86:11 post-auction 81:19 82:14 potential 16:19 29:19 30:1 48:6,6,21 49:3 49:13 50:6 52:2,8 54:15 55:3 56:1 59:9 63:3 64:7 66:3 67:16 68:19 70:17 potentially 38:16 62:17 power 12:10,12 12:18 13:2 14:13,15 15:19 16:7,10,13,14 17:2,13 18:11 18:12,21 19:2	19:7,13 32:6 48:6,21 49:3 49:13 50:6 52:2,10 54:3 55:3 56:14 59:10 64:9,11 66:5 69:12 powers 16:2 PowerSouth 50:22 52:20 53:13 pre-operational 21:21 precise 63:19 precisely 66:8 preface 71:3 preparation 76:2 prepare 32:22 34:21 35:17 preparing 59:3 present 25:4 29:18 36:7,10 64:1 presentation 69:17 president 14:19 15:1,5,18 16:11 19:12 20:3 26:6 31:7 pressurized 46:23 Preston 85:21 previous 62:7 previously 5:11 34:18 36:17 60:10 75:11,13 76:18,20 pricing 55:4,5,5 55:5 prior 6:21 27:2 31:18 40:7 49:10 58:5 61:21 63:15 65:8,12 67:7,9 68:3 70:19	Pritchett 1:20 6:6 7:1 88:20 privilege 74:9 75:1 privileged 75:4 75:5 probably 26:23 28:11 43:13 50:21 60:6 76:10 problem 45:4 Procedure 7:7 proceed 64:13 proceedings 7:16 process 17:6 61:5 procurement 18:10 produced 74:12 74:14 producing 14:13 14:15 product 37:4 production 55:4 products 71:6,9 Professional 1:22 6:7 7:2 program 21:22 56:2 57:15 63:5 prohibit 44:18 project 12:17 20:23 21:3,6 38:16 39:22 40:3,4,6 41:7 46:9 47:2 48:4 55:14 56:9 59:13 61:10 62:17 63:4 64:7,10,13 66:4 67:17 69:6 70:22 71:11 72:21 projected 22:20 property 49:8
---	--	---	---	--

William McCollum

11/12/2019

Page 97

60:3 proposal 52:14 propose 52:15 proprietary 42:13 43:8 provide 38:14 39:21 40:1 55:11 59:12 71:6,8 73:14 73:18 83:1 provided 7:6 36:22 47:10 76:14 providing 46:14 47:5,6 55:2 public 1:23 6:8 7:4 43:12,14 43:19 88:21 purchase 16:20 26:22 52:16 77:4 80:2 purchaser 49:13 52:2 purchasers 48:6 48:21 49:4 50:6 52:9 53:2 59:10 purchases 59:9 purpose 66:1 put 41:1 56:12 69:19,20 putting 22:1 76:16	88:8 Quirk's 33:21 <hr/> R R 1:12 2:1 3:1 4:1 6:5 7:13,20 8:18 88:1 Ralph 9:7 39:12 44:14,17 45:15 rate 29:9,10 rating 54:22 55:11,16 reactor 46:23 82:3 read 33:1,2,20 34:4,11 35:1 61:1 79:3,5,7 reading 6:9 really 24:10 33:8 57:10 58:14 64:10 70:3 Realtime 1:21 6:7 7:2 reasons 80:15 recall 22:21 23:20 24:1,3 26:16 28:15,16 28:22 29:2 31:17 32:17 33:19 34:3,7 34:10,19 45:5 45:13,14 48:19 49:2,10,12,15 50:1 51:3 56:21 58:4 60:17,21 62:1 62:4 63:13 64:3,15,18,21 65:8,18,21 66:7,10,13,23 67:3,4,10,18 68:2,15 69:1,2 70:3,11 71:1 71:22 74:11 78:2 81:5 83:6	85:3 86:12 received 23:17 60:15 recognize 11:5 recollection 35:10,13 63:19 70:2 78:7 80:13 82:12 record 9:6 10:11 59:17,21 79:7 86:14,16,20 recorded 32:13 32:14 records 37:23 redacted 75:6 reduced 88:9 reference 33:5 referenced 60:11 70:7 75:14 76:21 references 68:8 referred 14:12 14:16 referring 40:18 41:15 refers 67:6 refreshed 36:19 refueling 14:8 regard 40:16 regarded 42:12 regarding 35:11 59:9 83:9 regime 14:11 Registered 1:22 6:7 7:2 regulated 17:1 17:15 18:8 20:3 regulations 44:9 44:17 regulatory 17:3 Reid 62:9,10,12 62:15,20,22 63:3 65:7 related 19:14,15 32:21 33:13	36:23 43:9 81:2 relating 6:13 relationship 30:6 53:16,22 63:1 release 43:15,19 released 43:11 relevant 72:21 remain 58:21 remember 26:14 32:19 38:21 48:9 49:5 50:17 69:10 70:20 remembered 34:23 reorganization 18:6 repeat 9:21 report 15:2 26:1 27:12,15 53:23 reported 1:19 14:23 reporter 1:21,23 6:7,8 7:2,3 8:22 10:6 reports 15:4 represent 8:6 9:10 11:10 49:9 83:19 Representative 65:19 representatives 63:22 represents 88:10 request 38:13 43:12 64:21 65:3 83:11 84:8 requested 25:22 46:15 requesting 46:17 requests 83:14	required 17:2,5 requires 78:17 79:17 Resnick 2:16 resolve 10:3 resource 16:16 16:21,23 resources 13:6 13:16 17:8,8 17:10 respect 74:11 respective 6:4 respond 47:20 response 83:18 responsibilities 27:6,10 responsibility 16:4 17:23 responsible 13:5 13:15 14:1 15:22 16:15 20:18 22:1 27:16 restate 43:2,3 restrictions 39:3 39:7,14,16 44:4 restructuring 71:16 result 88:16 results 23:22,23 24:4,8 resume 5:8 11:9 11:11 12:14 24:17 retained 40:1 45:21 retire 23:9,13,16 24:9,10 retired 12:13 16:7 20:4,7,8 23:4 24:16 39:8 85:23 retiree 39:5 retirement 23:6 reveal 77:17,22
--	---	---	--	---

William McCollum

11/12/2019

Page 98

78:17 79:18 reverse 60:8 review 36:15 57:14,19 60:23 76:5 reviewed 76:8 reviewing 11:4 61:1 77:6,14 82:16 revolved 24:11 right 9:16 10:13 11:10,16 12:2 12:7,14,19,21 13:8,19 18:14 19:1 20:7,10 20:14,21 21:3 21:7 22:22 23:11 24:2,19 24:23 25:2,3,6 25:16,23 26:8 26:17 27:1 30:11 32:4 33:2,20 34:4,7 35:14,21 36:3 38:9 39:2 40:13 49:16 50:5,22 51:3 51:22 52:4,15 55:23 56:4 60:17 61:3,12 62:3 63:11,15 64:3 65:6,17 66:11 67:5 68:13 70:19 71:1,22 75:9 76:1,11,17 77:5 81:17 river 20:20 Roger 36:11,12 Rogers 39:12 role 12:21 13:4 13:14,23 14:21 15:8,21,22 16:9 17:12 20:4,22 21:20 24:5 41:8 44:5	46:11,12 47:5 47:8,14,23 48:1 54:2 56:10 57:7 58:1 63:7 73:6 85:6 roles 12:12,16 18:20 19:1,6 room 69:21 rope 82:2 roughly 29:2 RSA 2:7 rude 10:9 rules 6:13 7:6 39:14 45:18 rumors 40:12 <hr/> S S 2:1 3:1 4:1 6:1 s/ 88:20 safety 80:16 sale 54:3 60:2 66:5 77:4 sales 80:1,2 Santee 50:23 52:20 53:11 Sargent 71:18 saying 71:4 says 11:14 75:23 77:7 scchin@tva.gov 3:21 scenarios 17:7 23:15 schedule 21:17 22:3 scheduled 21:6 schedules 59:7 82:22,23 school 62:22 second 30:17 77:10 86:14 secretary 26:9 security 13:6 see 19:7 33:5,23 34:14 35:4	61:3,10 64:10 64:23 74:20 75:4,18,19 seeing 34:7 selling 18:11 Senate 62:7 senator 62:15 63:3,10 65:7 senior 23:12,18 sentence 61:4 67:5 70:7 September 12:12,15 75:18 sequence 49:15 series 9:17 77:2 served 42:2 services 13:1 18:9 38:13 59:12 71:6,9 seven 51:19 69:12 shadow 55:11 55:16 Shaking 37:17 Shannon 4:4 Shea's 35:1,6,16 short 59:14 62:15 shortly 39:1 show 10:23 60:5 67:22 74:4 showing 74:4 sic 78:11 sign 51:10 signature 6:9 signed 26:21 29:2 51:9,14 similar 55:11 single 46:6 sir 32:1 60:8 63:16 85:14 site 14:18 15:1,5 15:6,15,16 18:18 26:22 66:18,19 68:21 69:18 79:23	80:10,11,13,14 80:17,22 81:2 81:10,11,21 82:4,9,10,16 82:17 83:10,14 84:12,13 six 18:2 36:6 52:6,16 54:9 59:1 73:16,20 74:4 sixty 28:8,13 size 17:18 22:6 skimmed 76:10 small 71:5 SNC-Lavalin 71:18 72:1 73:3,6 82:15 82:21 83:2 85:23 86:7 Socol 2:16 soon 10:3 24:16 sorry 47:21 51:5 62:7 65:21 sort 40:22 41:2 44:16 46:16,20 47:6 48:7 55:6 56:13 65:1 81:11 82:18 sorts 47:6,13 sound 30:11 South 17:20 18:18 19:23 51:1 Southern 63:22 speak 22:2 66:22 speaking 63:7 specific 25:5 26:14 45:5 67:10 specifically 38:22 specificity 33:8 spend 36:4 spent 27:21 29:3 73:20 74:5,6	Sr 26:4 stack 60:6 staff 56:8 67:15 stage 57:19 stages 57:14 standpoint 80:16 start-up 21:22 state 7:4 8:5 9:5 17:2,4,4 33:10 45:8 66:20 88:3 States 1:1 7:7,23 47:1 69:12 station 12:11 13:1,2,9,18,20 14:2,13,22,23 15:2,9,13 21:20 22:11 stations 19:18 status 40:2,9 56:10 57:10,12 69:18 82:9 stay 20:8 steam 72:22 steel 82:1 stenotypy 88:8 steps 82:6 Steve 8:11 65:19 65:20 Steven 3:14 STIPULATED 6:2 stipulation 7:8 stipulations 8:23 stopped 18:19 35:15 strategic 16:12 16:15 Street 2:8,17 strike 43:1 structure 41:3 46:8 subcommittee 80:22
---	--	---	---	---

William McCollum

11/12/2019

Page 99

subject 5:19 43:14,19	taken 6:5 88:7	things 33:16	32:23 35:18	64:8 68:20,21
submit 29:8 31:2 60:1 73:10	talk 43:23 56:10 64:22 66:3,21 67:15 71:7 81:9	44:15,16 46:18 47:13,23 58:19 72:20 81:21 82:8	36:16 told 38:5 44:20 48:3 61:12 68:13 69:3 70:5,6,10	69:5,15 70:21 71:13 79:23 80:5,20 81:3 82:6 84:1,6 85:10,13,22 86:9
submittal 57:11	talked 38:22	think 24:15	tomorrow 86:23	TVA/Bellefonte
submitted 11:12 30:15 76:6	44:3 51:10 55:12 58:1,3	26:10 27:4 34:6 43:16	top 15:6	79:22
suggest 23:12	talking 41:22	45:14 49:6	total 14:1 22:8	twice 57:6
suggested 23:8	62:20 71:12	58:10 64:15	22:20 28:4	two 14:9 22:5,6
Suisse 54:21 55:1	tasks 58:22 59:1	67:4,23 70:10 74:21 75:5 83:4	totally 23:5	22:12 29:18
Suite 2:9,17	Tech 11:15,21	third 61:4 77:10	tour 80:23 83:14	30:20 42:19
summarization	technical 18:9	thought 43:18	toured 80:13	66:20 74:5
45:12	39:21 40:1 46:14,16 47:3 47:7,10 58:2	thread 5:19	tours 80:14	two-unit 15:15
Summit 3:17	Technologies	three 16:2 19:18	Tower 2:7	type 14:7
superintendent	4:5	26:18 29:11	Trail 10:15	typewriting
12:23 13:12	technology	66:20 74:5	training 13:6	88:9
supervision	46:23	three-unit 15:14	transcript 88:11	typewritten
88:10	telephone 81:20	time 6:19,20 8:3	88:23	37:18
supplier 71:9	tell 19:11 44:21	9:20 14:14,15 16:2 18:16,19 21:6 22:4,9,19 23:13,16 25:3 27:20 29:3 39:12,23 40:10 40:11,15,17 41:5,13 45:21 46:10,12 47:4 47:9,10 49:11 58:6,19,23 61:19 62:2 63:1,15 65:8 65:12,13 67:13 68:23 69:10 73:11 80:10,23 81:15,19,23 82:14 83:6 85:2	transfer 19:3 35:12 59:7 68:19 78:12 79:13	typical 46:19
suppliers 61:9 69:4 70:15,16 70:17,21 71:5	54:23 56:4 62:11 65:17 84:10,19	transition 80:1	transmission	<hr/> U <hr/>
supply 72:23	tendons 82:1	20:19	transmittal	U 6:1
support 13:7,17 14:3,4,5 15:19 15:23 16:5 19:13 55:10	Tennessee 1:9 3:16,18 7:21 20:13 39:13 50:13 65:23	transmission	75:21	uh-huh 10:7
sure 10:10 41:21 44:7 45:17	tensions 82:2	transmittal	trial 6:20	30:22 45:23
surplus 49:8	term 43:9	75:21	true 88:11	47:16 48:22
suspended 86:8	terminated 30:6	trying 82:17	turned 30:4	72:18 83:22
Swafford 85:21	terms 24:14	turned 30:4	TVA 8:8,10,12	uh-uh 10:8
Swannanoa	39:17 43:11 45:16 48:5	TV 8:8,10,12	9:10 20:17,23	ultimately 46:8
10:15	testified 8:20	22:6,22 23:4	23:12,18 24:13	47:14,22 71:23
sworn 8:19	32:11	26:21 29:2	26:21 29:2	72:4
Synergy 17:17	testimony 45:12	30:19 32:6,9	30:19 32:6,9	UNC 12:3
system 72:23	testing 17:7	32:10 39:4,8	32:10 39:4,8	unclear 45:20
<hr/> T <hr/>	21:22	40:3,7,8 41:1,8	40:3,7,8 41:1,8	understand 9:20
T 6:1,1 88:1,1	thank 62:10	42:3,8,11 43:5	42:3,8,11 43:5	9:23 27:23
take 10:2 55:14 56:11 59:14 60:22 67:20 69:19 75:7	thereto 6:21 88:9	43:10 44:1	43:10 44:1	39:2 40:14
	thing 42:22 65:1 81:12 82:18	45:2,2 49:7	45:2,2 49:7	41:20 42:18,21
		52:23 53:15,17	52:23 53:15,17	42:23 51:4
		54:3 60:2,19	54:3 60:2,19	52:11
		61:9 63:22	61:9 63:22	understanding
				36:13 40:2
				57:16 62:19,21
				82:23
				understood 39:6
				80:17

William McCollum**11/12/2019**

Page 100

undertake 58:23	87:2	Wheeler 50:8,10	years 14:10	2018 11:13
undertaking	videotape 7:19	50:16 53:7	26:18 32:2	28:10,11 57:2
44:6	view 58:19	54:13	63:2	83:20
unique 73:18	violate 44:8	Wilcox 71:21	yesterday 35:23	2019 1:17 7:12
unit 14:10,14	violations 45:17	William 1:12	36:4	8:3 27:22 28:5
20:23 22:1,6	visit 83:9,12	6:5 7:13,20		30:11 57:1,2
22:16 40:9	visiting 81:2	8:18 9:7	Z	205.251.8000
52:13,17	visitors 80:18	withheld 74:9	0	3:10
United 1:1 7:7	visits 81:22	witness 6:10	02 15:8,17	205.790.5841
7:23 47:1	82:10	7:14 77:22	04 15:18	4:7
units 16:20	Vogtle 22:10	88:12	1	251.432.5511
17:19,21 22:5	voluntary 23:5	work 14:12 25:1	1 22:1,10 40:9	2:11
22:8,10,13	Volunteer 50:9	25:1,17,21	52:13,17	28778 10:16
56:11,11,13	50:13,16 53:9	27:17,21 28:4	1.25 30:12	3
69:19 73:1,5	54:12	28:6 29:9,17	1/1/89 12:23	3.25 22:8
universe 71:5	vs 1:8	29:23 30:3	10/2016 5:18	3:35 7:13 8:3
use 30:5 46:23	W	32:5,10 37:3	11 2:8 5:8	30200 2:9
Usual 8:22	waived 6:10	37:13 40:22	11/24/2019	30th 22:23 83:20
utilities 17:1	wanted 39:17,20	44:6,15 45:1	88:23	312.580.0100
utility 17:4	40:15 78:12	58:4,12,15,20	116 88:22	2:19
18:12	79:12	59:8 69:14	12 1:17	35203 1:16 3:9
V	wasn't 44:19	73:17 81:21	12th 7:12 8:3	7:12
vague 32:20	46:9,10 55:23	86:7	17 66:10	36602 2:10
41:4	65:4	worked 12:8,11	18 60:14 61:21	37902 3:18
validate 82:17	water 2:8 46:23	25:19 30:1,21	66:10,13 67:7	4
Valley 1:9 3:16	49:18	85:22	70:20	4:33 59:17,19
7:22 20:13	Watts 20:22	working 27:21	1819 1:15 3:8	4:44 59:19,21
39:13	22:15	32:9 59:2,5	7:11	400 3:17
varies 17:4	way 21:3,6	60:19 73:22	1973 11:19	4000 2:17
variety 47:3	40:22 58:13,19	wouldn't 43:14	1974 12:1,13	42 5:13 60:6,9
various 12:16	64:19 65:1	45:17	1983 12:6	70:8
58:22 59:10	69:14 71:13	written 27:5,9		43 5:16 75:10,12
61:5	76:15	29:13	2	44 10:15
varying 12:12	ways 46:5 64:14	WT6 3:17	2 20:23 22:10,15	45 5:18 76:18,19
25:21	We're 42:16	X	20 57:2	5
versus 7:21	went 21:3,6	Y	2007 12:13	5:18 86:16,18
vice 14:18 15:1	62:14	yeah 28:15	2012 22:23 25:4	5:18-CV-0198...
15:5,18 16:11	weren't 47:9	41:21 45:13	25:18 38:7	1:4 8:2
19:12 20:3	84:11,12	67:10 81:15	39:23 40:12,19	5:19 86:18,20,21
Victor 67:15,19	west 2:17 3:17	86:3	2016 49:9 60:14	87:3,5
68:6	65:22	year 11:18,23	61:21 66:13	6
VIDEO 1:12	Westinghouse	12:5 22:11	67:2,7 70:20	60 5:13
VIDEOGRAP...	71:20	28:14,23 29:1	75:18 77:3	60602 2:18
4:3 7:18 59:16	whatsoever	29:3 83:9,21	2017 28:20	
59:20 86:15,19	53:19		30:10	

William McCollum**11/12/2019**

Page 101

7				
70 2:17				
73 5:8 11:1,2				
74 12:15				
75 5:16				
76 5:18				
8				
8/18/16 5:13				
8/18/2016 63:20				
865.632.3052				
3:19				
87 12:15,23				
89 13:10				
9				
9 5:3 75:18				
86:23				
9/30/2020 88:22				
9/9/16 5:16				
91 13:11,20				
95 13:20 14:17				
97 14:18 15:7				

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William McCollum**11/13/2019**

Pages 89 to 92

<p style="text-align: right;">Page 89</p> <p>1 IN THE UNITED STATES DISTRICT COURT NORTHERN</p> <p>2 DISTRICT OF ALABAMA, NORTHEASTERN DIVISION</p> <p>3</p> <p>4 CIVIL ACTION NO. 5:18-CV-01983-LCB</p> <p>5</p> <p>6 NUCLEAR DEVELOPMENT, LLC,</p> <p>7 Plaintiff,</p> <p>8 vs.</p> <p>9 TENNESSEE VALLEY AUTHORITY,</p> <p>10 Defendant.</p> <p>11 VOLUME II</p> <p>12 VIDEO DEPOSITION OF WILLIAM MCCOLLUM</p> <p>13 Bradley Arant Boulton Cummings, LLP</p> <p>14 One Federal Place</p> <p>15 1819 Fifth Avenue North</p> <p>16 Birmingham, Alabama 35203</p> <p>17 November 13, 2019</p> <p>18</p> <p>19 REPORTED BY:</p> <p>20 Gail B. Pritchett</p> <p>21 Certified Realtime Reporter,</p> <p>22 Registered Professional</p> <p>23 Reporter and Notary Public</p>	<p style="text-align: right;">Page 91</p> <p>1 A P P E A R A N C E S (continuing)</p> <p>2</p> <p>3 FOR THE DEFENDANT:</p> <p>4 Mr. Matthew H. Lembke</p> <p>5 Attorney at Law</p> <p>6 Bradley Arant Boulton Cummings, LLP</p> <p>7 One Federal Place</p> <p>8 1819 Fifth Avenue North</p> <p>9 Birmingham, Alabama 35203</p> <p>10 205.251.8000</p> <p>11 mlembke@bradley.com</p> <p>12 - and -</p> <p>13 Messrs. David D. Ayliffe</p> <p>14 and Steven C. Chin</p> <p>15 Office of the General Counsel</p> <p>16 Tennessee Valley Authority</p> <p>17 400 West Summit Hill Drive, WT6</p> <p>18 Knoxville, Tennessee 37902</p> <p>19 865.632.3052</p> <p>20 ddayliffe@tva.gov</p> <p>21 scchin@tva.gov</p> <p>22</p> <p>23</p>
<p style="text-align: right;">Page 90</p> <p>1 A P P E A R A N C E S</p> <p>2</p> <p>3 FOR THE PLAINTIFF:</p> <p>4 Mr. Caine O'Rear III</p> <p>5 Attorney at Law</p> <p>6 Hand Arendall, LLC</p> <p>7 RSA Tower</p> <p>8 11 North Water Street</p> <p>9 Suite 30200</p> <p>10 Mobile, Alabama 36602</p> <p>11 251.432.5511</p> <p>12 corear@handarendall.com</p> <p>13 - and -</p> <p>14 Mr. Larry David Blust</p> <p>15 Attorney at Law</p> <p>16 Hughes Socol Piers Resnick Dym, LTD</p> <p>17 70 West Madison Street, Suite 4000</p> <p>18 Chicago, Illinois 60602</p> <p>19 312.580.0100</p> <p>20 lblust@hsplegal.com</p> <p>21</p> <p>22</p> <p>23</p>	<p style="text-align: right;">Page 92</p> <p>1 A P P E A R A N C E S (continuing)</p> <p>2</p> <p>3 THE VIDEOGRAPHER:</p> <p>4 Ms. Shannon Campbell</p> <p>5 Courtroom Technologies, Inc.</p> <p>6 brad@crtrialtech.com</p> <p>7 205.790.5841</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p>

William McCollum**11/13/2019**

Pages 93 to 96

Page 93	Page 95
<p>1 INDEX OF EXAMINATION</p> <p>2 Page:</p> <p>3 EXAMINATION BY MR. LEMBKE 96</p> <p>4 (continuing)</p> <p>5</p> <p>6 INDEX OF EXHIBITS</p> <p>7 Page:</p> <p>8 Exhibit Number 74 - 1/5/17 email, 133</p> <p>9 Subj: NRC Meeting, ND1664</p> <p>10 Exhibit Number 75 - 3/14/17 email, 146</p> <p>11 Subj: Bellefonte CP Transfer Path</p> <p>12 Forward, ND2937-ND2938</p> <p>13 Exhibit Number 76 - 1/27/17 email, 156</p> <p>14 Subj: NRC Commission Mtgs, ND1830</p> <p>15 Exhibit Number 77 - 2/1/17 email, 164</p> <p>16 Subj: Bellefonte Nuclear Station,</p> <p>17 ND1866-ND1868</p> <p>18 Exhibit Number 78 - 2/6/17 email, 183</p> <p>19 Subj: ND efforts for Bellefonte 1&2,</p> <p>20 ND 1884</p> <p>21 Exhibit Number 79 - 6/7/17 email, 186</p> <p>22 Subj: Bellefonte Units 1&2,</p> <p>23 ND3287-ND3288</p>	<p>1 INDEX OF PREVIOUSLY MARKED EXHIBITS</p> <p>2 Page:</p> <p>3 Exhibit Number 10 - email reporting 203</p> <p>4 on the NRC public meeting from Mr.</p> <p>5 Bell of NEI</p> <p>6 Exhibit Number 37 - emails Joe Shea 143</p> <p>7 on January 29th & January 30th, 2017</p> <p>8 Exhibit Number 48 - 12/20/16 email, 113</p> <p>9 Subj: Process to Transfer Bellefonte</p> <p>10 Construction Permit, ND5686-ND5690</p> <p>11 Exhibit Number 49 - 12/2016 email, 120</p> <p>12 Subj: Process to Transfer Bellefonte</p> <p>13 Construction Permit, ND5691</p> <p>14 Exhibit Number 60 - emails 204</p> <p>15 w/attachment: Items Necessary before</p> <p>16 Submitting NRC Application,</p> <p>17 TVABLN7572 - TVABLN7584</p> <p>18 Exhibit Number 65 - 7/31/18 email, 292</p> <p>19 Subj: Final-Release, Press Package,</p> <p>20 Media Targets, ND4012-4016</p> <p>21 Exhibit Number 67 - 4/7/2017 email, 268</p> <p>22 from Frank Haney to J. Chardos,</p> <p>23 TVABLN0328</p>
Page 94	Page 96
<p>1 Exhibit Number 80 - 9/14/17 email, 191</p> <p>2 Subj: Req. for Business Plan for</p> <p>3 Bellefonte Units 1&2, ND3466-ND3469</p> <p>4 Exhibit Number 81 - 9/19/17 email, 194</p> <p>5 Subj: NRC Guidance on License</p> <p>6 Transfers ND3474-ND3498</p> <p>7 Exhibit Number 82 - 11/13/18 email, 230</p> <p>8 Subj: ND Bellefonte CP Transfer</p> <p>9 Request, ND4760-ND4918</p> <p>10 Exhibit Number 83 - NRC 10CFR Part 234</p> <p>11 50 - Commission Policy Statement on</p> <p>12 Deferred Plants</p> <p>13 Exhibit Number 84 - 4/5/19 NRC 263</p> <p>14 letter</p> <p>15 Exhibit Number 85 - 11/5/19 NRC 267</p> <p>16 Letter</p> <p>17 Exhibit Number 86 - 11/8/17 email, 272</p> <p>18 Subj: Information on NRC Policies &</p> <p>19 Procedures, ND3543-ND3544</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p>	<p>1 November 13, 2019 9:02 A.M.</p> <p>2</p> <p>3 WILLIAM MCCOLLUM,</p> <p>4 having been previously duly sworn, was examined</p> <p>5 and testified as further follows:</p> <p>6</p> <p>7 THE VIDEOGRAPHER: This is the</p> <p>8 continuation of the deposition of William R.</p> <p>9 McCollum. Today's date is November 12th (sic),</p> <p>10 2019, and we are back on the record at 9:02</p> <p>11 a.m.</p> <p>12 (Off-the-record discussion.)</p> <p>13</p> <p>14 EXAMINATION BY MR. LEMBKE (continuing):</p> <p>15 Q. Good morning, Mr. McCollum.</p> <p>16 A. Good morning.</p> <p>17 Q. We are resuming after an overnight</p> <p>18 break. Did you do anything to prepare for</p> <p>19 today's deposition after we broke yesterday?</p> <p>20 A. No.</p> <p>21 Q. Would you describe for me your</p> <p>22 involvement in the process that led to Nuclear</p> <p>23 Development submitting an application to the</p>

William McCollum**11/13/2019**

Pages 97 to 100

Page 97

1 NRC for approval of transfer of the Bellefonte
2 construction permits?

3 A. Yes. So I basically led that
4 process. We engaged Morgan Lewis law firm to
5 be our licensing counsel, and Tim Matthews was
6 the lead attorney at Morgan Lewis that we
7 worked with. So he did all of the work
8 associated with putting together the
9 application form and format, that sort of
10 thing. And then to put in the application,
11 submit the application, you are required to
12 provide information regarding financial
13 capability, technical capability and other
14 things. And so I worked with contractors and
15 other people to put that information together
16 in support of submitting the application.

17 Q. When do you recall Mr. Matthews
18 and Morgan Lewis first being engaged by Nuclear
19 Development to work on the application?

20 A. I don't recall the date.

21 Q. Were you the one who contacted Mr.
22 Matthews to undertake that work?

23 A. No. Frank Haney initially

Page 99

1 A. Well, you have to -- you have to
2 submit the application in regard to the
3 existing construction permits, their status,
4 status of the property and so forth.

5 Q. And where did you get that
6 information?

7 A. From Tennessee Valley Authority.

8 Q. And did you have any trouble
9 getting that information?

10 A. It took -- it took some time to
11 get that information. Following the auction,
12 Jim Chardos was designated as the transition
13 lead or transition manager, whatever they
14 called him within TVA, but he was the point of
15 contact, and so we worked through Jim Chardos
16 to get information and it took some time. A
17 lot of the information that Tennessee Valley
18 Authority had on the Bellefonte project was in
19 the form of computer data that was stored on
20 servers, and so Jim had to work with -- or with
21 and through other people within TVA to make
22 arrangements to get access to that information,
23 figure out where it was, figure out which part

Page 98

1 contacted.

2 Q. Do you know if that contact was
3 made before the auction?

4 A. I don't believe it was.

5 Q. All right. Do you have a best
6 judgment as to when it occurred?

7 A. A few months after, I believe.

8 Q. Now, you said you were working
9 with contractors and other people to put
10 together the information that was needed for
11 the application?

12 A. Correct.

13 Q. All right. And virtually all of
14 the information that was needed for the
15 application had to come from Nuclear
16 Development, right?

17 A. I wouldn't say virtually all. We
18 had to submit information related to our plans
19 for quality assurance, technical and financial
20 qualifications.

21 Q. All right. What -- what was
22 needed for the application that wasn't coming
23 from Nuclear Development?

Page 100

1 of it they were going to allow us to have and
2 so forth, so it took a little time.

3 Q. When did you first ask for it?

4 A. Shortly after the -- well, shortly
5 after I learned that the sales agreement had
6 been signed.

7 Q. All right. And when did you get
8 the information?

9 A. We didn't get it all at one time.
10 We gained access to the information over a
11 period of months following the auction.

12 Q. And so do you believe you had what
13 you needed from TVA by the end of 2017?

14 A. We had quite a bit of the
15 information that we needed. As you -- as you
16 pull together the information in support of the
17 application, it is normal that you would see --
18 have other questions and see other things that
19 you would need. But we had a lot of
20 information by the beginning of 2018.

21 Q. And when did you get the last of
22 the information you needed from TVA?

23 A. We continued to have contact with

William McCollum

11/13/2019

Pages 101 to 104

<p style="text-align: right;">Page 101</p> <p>1 TVA and get information related to the</p> <p>2 application pretty much right up until the time</p> <p>3 we filed.</p> <p>4 Q. Did TVA in any way delay Nuclear</p> <p>5 Development's ability to file the application?</p> <p>6 A. Well, I would say the one -- well,</p> <p>7 as I said, the information came out over a</p> <p>8 period of time, and so we wouldn't have been</p> <p>9 able to file the application until we gained</p> <p>10 all of that information, which took some time.</p> <p>11 But the one area where we struggled was in</p> <p>12 trying to get Tennessee Valley Authority to</p> <p>13 cooperate in providing some statement of</p> <p>14 consent to the transfer of the construction</p> <p>15 permits.</p> <p>16 Q. Other than that, though, you</p> <p>17 weren't waiting on TVA to provide anything</p> <p>18 before you filed the -- your application,</p> <p>19 correct?</p> <p>20 MR. O'REAR: Excuse me. If you</p> <p>21 could clarify that. You mean when it was</p> <p>22 filed?</p> <p>23 MR. LEMBKE: Yes.</p>	<p style="text-align: right;">Page 103</p> <p>1 I had a later conversation with</p> <p>2 Joe Shea at which time he indicated that TVA</p> <p>3 was not going to do any work or do anything in</p> <p>4 support of the application. And then Joe Shea</p> <p>5 and I had a face-to-face meeting because we</p> <p>6 were both up in Bethesda, Maryland attending an</p> <p>7 NRC conference at which time he made it clear</p> <p>8 that they weren't going to do anything at all</p> <p>9 to support the application process.</p> <p>10 Q. Well, that didn't prove to be</p> <p>11 true, correct?</p> <p>12 A. I think from Joe's standpoint, it</p> <p>13 did turn out to be true. I am not aware that</p> <p>14 he did anything to support the application --</p> <p>15 or his licensing group did anything to support</p> <p>16 that process.</p> <p>17 Q. Well, didn't you just get done</p> <p>18 telling me that you asked for information from</p> <p>19 TVA and it was provided?</p> <p>20 A. Technical information that was --</p> <p>21 that we were -- that we had access to based on</p> <p>22 the sales agreement that TVA was obligated to</p> <p>23 provide that we got through Jim Chardos.</p>
<p style="text-align: right;">Page 102</p> <p>1 A. Yes, at the time that we filed the</p> <p>2 application, we felt that we had the</p> <p>3 information that we needed to provide in</p> <p>4 support of the application for the NRC.</p> <p>5 Q. (BY MR. LEMBKE:) Did you ever</p> <p>6 tell TVA that you had everything you needed</p> <p>7 except something from them to file?</p> <p>8 A. I'm not aware that we did.</p> <p>9 Q. Now, you say you were trying to</p> <p>10 get some indication of consent from TVA?</p> <p>11 A. Yes.</p> <p>12 Q. Tell me who you -- were you</p> <p>13 personally involved in seeking that?</p> <p>14 A. I was at times, yes.</p> <p>15 Q. All right. Well, tell me the</p> <p>16 history of your involvement in that effort.</p> <p>17 A. So I had an initial conversation</p> <p>18 with Joe Shea sometime soon after the auction</p> <p>19 at which time my understanding from the</p> <p>20 conversation was that TVA would work to put the</p> <p>21 application together and we would provide all</p> <p>22 the information from our side in support of the</p> <p>23 application.</p>	<p style="text-align: right;">Page 104</p> <p>1 Q. All right. Well, what is it that</p> <p>2 you asked TVA to do that it didn't do with</p> <p>3 regard to what you are saying relating to Mr.</p> <p>4 Shea?</p> <p>5 A. The licensing group did -- did no</p> <p>6 work to help put together the information for</p> <p>7 the application itself or any write-ups in</p> <p>8 support of the application and would not</p> <p>9 provide any statement of support for the</p> <p>10 application for the NRC.</p> <p>11 Q. All right. Well, let's do that in</p> <p>12 two parts.</p> <p>13 First you saw they wouldn't</p> <p>14 provide write-ups; you wanted TVA to actually</p> <p>15 write the application?</p> <p>16 A. Yes.</p> <p>17 Q. And did you ask them to do that?</p> <p>18 A. Yes. That was my initial</p> <p>19 conversation with Joe Shea was I said I</p> <p>20 understand that you guys are going to take the</p> <p>21 lead, you are going to put the format of the</p> <p>22 application together, we'll supply the</p> <p>23 information on quality assurance, technical and</p>

William McCollum**11/13/2019**

Pages 105 to 108

Page 105	Page 107
<p>1 financial qualifications.</p> <p>2 Q. And what was the basis for your</p> <p>3 understanding that TVA was going to put</p> <p>4 together that application?</p> <p>5 A. That was just simply what I</p> <p>6 thought that I understood and had heard and</p> <p>7 seemed to be the normal way you would think to</p> <p>8 do these kind of things if the partners in a</p> <p>9 transaction are working together.</p> <p>10 Q. All right. Well, you say you had</p> <p>11 heard it and it was your understanding; who had</p> <p>12 you heard it from?</p> <p>13 A. Yeah, I can't tell you -- I can't</p> <p>14 tell you how I got that impression, but I did</p> <p>15 have the impression that TVA was going to take</p> <p>16 the lead on the application, and that's why I</p> <p>17 initially said that to Joe Shea.</p> <p>18 Q. But you can't tell me today any</p> <p>19 basis whatsoever for that understanding on your</p> <p>20 part?</p> <p>21 A. Correct.</p> <p>22 Q. All right. And then you said -- I</p> <p>23 thought yesterday you told me you had never</p>	<p>1 licensee to a new licensee.</p> <p>2 A. No.</p> <p>3 Q. Now, you say it is the normal</p> <p>4 course if there's a --</p> <p>5 Well, let me ask this: Did you</p> <p>6 testify a moment ago that it's the normal</p> <p>7 course when there is a transfer of a license to</p> <p>8 one licensee to another for the old licensee to</p> <p>9 prepare the application?</p> <p>10 A. I believe what I was saying is</p> <p>11 that it's my experience in licensing</p> <p>12 transactions where you have multiple parties</p> <p>13 involved or where there's mergers of multiple</p> <p>14 companies involved, it has been my experience</p> <p>15 that the companies would work together and both</p> <p>16 participate in putting together the</p> <p>17 application, as opposed to one party saying</p> <p>18 they are not going to do any work at all</p> <p>19 regarding the application.</p> <p>20 Q. Well, this is not a merger,</p> <p>21 correct?</p> <p>22 A. Correct.</p> <p>23 Q. All right. And so it's your view</p>
Page 106	Page 108
<p>1 been involved in a license transfer</p> <p>2 application?</p> <p>3 A. I believe yesterday your question</p> <p>4 was whether I had been involved in an</p> <p>5 application to transfer construction permits.</p> <p>6 Q. Okay. Have you ever -- have you</p> <p>7 ever been involved in an application to</p> <p>8 transfer any license?</p> <p>9 A. I have been involved in numerous</p> <p>10 applications with the NRC to change and revise</p> <p>11 and move licenses at various NRC regulated</p> <p>12 licenses.</p> <p>13 Q. Well, I am not sure that answered</p> <p>14 my question. My question was much more</p> <p>15 specific.</p> <p>16 A. Okay.</p> <p>17 Q. Have you ever been involved in an</p> <p>18 application to transfer a license prior to</p> <p>19 this?</p> <p>20 A. Okay. If you can specify what</p> <p>21 sort of transfer you are referring to, I think</p> <p>22 that will help me.</p> <p>23 Q. I mean a transfer from one</p>	<p>1 that it would have been normal for the</p> <p>2 Tennessee -- Tennessee Valley Authority as the</p> <p>3 selling entity to take the lead in the transfer</p> <p>4 of the application to the purchasing entity?</p> <p>5 A. It would be consistent with my</p> <p>6 experience to believe that Tennessee Valley as</p> <p>7 the current holder of the construction permits</p> <p>8 and the party that had the best knowledge of</p> <p>9 the current condition of the facility to take</p> <p>10 the lead in preparing the application.</p> <p>11 Q. All right. And the basis for your</p> <p>12 understanding of that being the normal course</p> <p>13 is what?</p> <p>14 A. Well, I think I answered your</p> <p>15 question a minute ago to say that that was just</p> <p>16 my impression and my belief based on my</p> <p>17 experience.</p> <p>18 Q. All right. Yet you have never had</p> <p>19 any experience in transferring construction</p> <p>20 permits in a comparable situation?</p> <p>21 A. Not in this same situation, that's</p> <p>22 correct.</p> <p>23 Q. Okay. And so -- all right. Now,</p>

William McCollum**11/13/2019**

Pages 109 to 112

Page 109	Page 111
<p>1 with the exception of the consent issue, you</p> <p>2 got all of the information you asked for from</p> <p>3 TVA, correct?</p> <p>4 A. By the time we filed the</p> <p>5 application for transfer of the construction</p> <p>6 permits, we had the technical information that</p> <p>7 we needed in support of the application.</p> <p>8 Q. Well, that wasn't my question.</p> <p>9 A. Okay.</p> <p>10 Q. My question was -- and I hope --</p> <p>11 we will go faster if you answer my questions.</p> <p>12 My question is, with the exception</p> <p>13 of the consent issue you are talking about, any</p> <p>14 information you requested from TVA that you</p> <p>15 needed for preparation of the application you</p> <p>16 received, correct?</p> <p>17 A. Yeah, my problem is the form of</p> <p>18 the question. So I can't testify that we</p> <p>19 received everything that we ever requested from</p> <p>20 TVA to support the application. But I can say</p> <p>21 that at the time we submitted the application,</p> <p>22 we felt that we had the information that we</p> <p>23 needed to support the technical qualifications.</p>	<p>1 Q. All right. And what did Mr. Shea</p> <p>2 say?</p> <p>3 A. He gave me an ambiguous answer.</p> <p>4 It was not a yes or no.</p> <p>5 Q. And did you ever follow up with</p> <p>6 him on that?</p> <p>7 A. Yes.</p> <p>8 Q. When?</p> <p>9 A. Later that same year.</p> <p>10 Q. All right. And tell me about that</p> <p>11 conversation.</p> <p>12 A. My understanding from that</p> <p>13 conversation was that essentially any decision</p> <p>14 to provide that sort of supporting statement,</p> <p>15 that decision would not be made by Joe and it</p> <p>16 would be made above his level somewhere.</p> <p>17 Q. All right. And that was in 2017?</p> <p>18 A. Yes.</p> <p>19 Q. In late 2017? What's your best</p> <p>20 judgment?</p> <p>21 A. Best judgment would be later on in</p> <p>22 2017.</p> <p>23 Q. Okay. And did you personally have</p>
Page 110	Page 112
<p>1 Q. Well, sitting here today, can you</p> <p>2 identify, with the exception of the consent</p> <p>3 issue, which we are going to get to, something</p> <p>4 you asked for that you did not get?</p> <p>5 A. I cannot.</p> <p>6 Q. All right. Now, you mentioned you</p> <p>7 asked for consent from TVA; what are you</p> <p>8 talking about?</p> <p>9 A. I am talking about some statement</p> <p>10 that as the current holder of the construction</p> <p>11 permits, they consented to the transfer to</p> <p>12 Nuclear Development, they didn't object to the</p> <p>13 transfer to Nuclear Development, they supported</p> <p>14 the transfer to Nuclear Development or some</p> <p>15 statement like that.</p> <p>16 Q. All right. Did you personally</p> <p>17 have a conversation with anyone at TVA</p> <p>18 requesting that?</p> <p>19 A. Yeah, I talked to Joe Shea about</p> <p>20 that.</p> <p>21 Q. When?</p> <p>22 A. I can't tell you exactly when,</p> <p>23 sometime in 2017.</p>	<p>1 any further conversations with anyone at TVA</p> <p>2 seeking the sort of consent you are talking</p> <p>3 about?</p> <p>4 A. No. After that -- after I</p> <p>5 understood from Joe that the licensing -- the</p> <p>6 nuclear licensing group would not be involved</p> <p>7 and it wasn't any use talking to Joe or anybody</p> <p>8 in his group anymore about that, then Tim</p> <p>9 Matthews followed up on that issue with TVA</p> <p>10 legal.</p> <p>11 Q. All right. And were you ever on a</p> <p>12 conversation that Mr. Matthews had with TVA</p> <p>13 legal about that topic?</p> <p>14 A. Not that I recall.</p> <p>15 Q. So you can't speak to the</p> <p>16 specifics of what Mr. Matthews said in those</p> <p>17 conversations, correct?</p> <p>18 A. That's correct.</p> <p>19 Q. Is it fair to say that after your</p> <p>20 conversation with Joe Shea, you never</p> <p>21 personally made any request to TVA for that?</p> <p>22 A. That's correct, to the best of my</p> <p>23 recollection.</p>

William McCollum**11/13/2019**

Pages 113 to 116

<p style="text-align: right;">Page 113</p> <p>1 Q. Now, did you ever have a</p> <p>2 discussion with Mr. Chardos about the need to</p> <p>3 get the transfer of the construction permits</p> <p>4 approved by NRC prior to closing?</p> <p>5 A. No, not that I recall.</p> <p>6 Q. Did you ever have any discussions</p> <p>7 with Mr. Chardos about the transfer of the</p> <p>8 construction permits, other than the</p> <p>9 information request you told me about a minute</p> <p>10 ago?</p> <p>11 A. No, not that I recall. Our</p> <p>12 conversations -- anytime the transfer of the</p> <p>13 construction permits was mentioned, it was just</p> <p>14 in terms of getting the information together to</p> <p>15 support those.</p> <p>16 (Whereupon, Exhibit Number 48,</p> <p>17 having been previously marked for</p> <p>18 identification, was referenced in</p> <p>19 this deposition.)</p> <p>20 Q. If you will look in your file at</p> <p>21 Exhibit 48, it was marked previously. Do you</p> <p>22 recognize this document?</p> <p>23 A. It appears to be an email from</p>	<p style="text-align: right;">Page 115</p> <p>1 disagree?</p> <p>2 A. So there's a number of statements</p> <p>3 in here that I don't agree with. So in the</p> <p>4 first paragraph, the statement that there is no</p> <p>5 precedent for this type of transfer, you know,</p> <p>6 the licensing -- licensing actions -- changes</p> <p>7 and transfers to licenses and permits, while</p> <p>8 you can always say that every licensing</p> <p>9 transaction is unique, if you get down to</p> <p>10 absolute specifics, I believe there has been</p> <p>11 plenty of licensing action in the NRC in the</p> <p>12 past that would provide precedence for what we</p> <p>13 were asking for, you know, even though you</p> <p>14 could say that this specific transfer from</p> <p>15 these specific parties under this circumstance,</p> <p>16 you know, there has not been another one</p> <p>17 exactly like it. So I didn't agree with that</p> <p>18 statement.</p> <p>19 Q. Let me stop you there.</p> <p>20 A. Uh-huh.</p> <p>21 Q. And so you would agree -- or --</p> <p>22 let me strike that and start over.</p> <p>23 In your experience, it's</p>
<p style="text-align: right;">Page 114</p> <p>1 Gary Mignogna to Franklin Haney.</p> <p>2 Q. That you were copied on, correct?</p> <p>3 A. Yes.</p> <p>4 Q. And you have no reason to doubt</p> <p>5 you received it, correct?</p> <p>6 A. I don't.</p> <p>7 Q. Did you read it when you got it?</p> <p>8 A. I am sure I would have.</p> <p>9 Q. And what is this so-called White</p> <p>10 Paper that is attached to the first page of</p> <p>11 Exhibit 48?</p> <p>12 A. It's AREVA's -- it's AREVA's input</p> <p>13 into how -- their view of how you would pursue</p> <p>14 the process to transfer the Bellefonte</p> <p>15 construction permits.</p> <p>16 Q. All right. And do you recall</p> <p>17 reading this at the time that it came in?</p> <p>18 A. Yes.</p> <p>19 Q. And do you recall if there was</p> <p>20 anything in it with which you disagreed at the</p> <p>21 time it came in?</p> <p>22 A. Yes.</p> <p>23 Q. But what -- with what did you</p>	<p style="text-align: right;">Page 116</p> <p>1 appropriate to look back to see what the NRC</p> <p>2 has said about comparable circumstances as</p> <p>3 guidance for how to proceed?</p> <p>4 A. No, that wasn't what I was saying.</p> <p>5 That would be a legal matter.</p> <p>6 Q. No, well, my question is, in your</p> <p>7 experience -- I didn't say that's what you were</p> <p>8 saying. My question was, in your experience</p> <p>9 you viewed it as appropriate to look back at</p> <p>10 what the NRC has done in the past and what they</p> <p>11 have said about comparable circumstances to</p> <p>12 assess how to handle a situation before you?</p> <p>13 A. No.</p> <p>14 Q. No.</p> <p>15 A. No.</p> <p>16 Q. Why do you say no?</p> <p>17 A. I say no because what I am</p> <p>18 disagreeing with in item number two in the</p> <p>19 first paragraph is that there's plenty of</p> <p>20 experience within the NRC staff for dealing</p> <p>21 with applications of this type. I'm not</p> <p>22 referring to legal or regulatory precedent</p> <p>23 issues.</p>

William McCollum**11/13/2019**

Pages 117 to 120

Page 117	Page 119
<p>1 Q. Well, have you ever had occasion</p> <p>2 -- and, again, Mr. McCollum, every question is</p> <p>3 a separate question. And I didn't refer back</p> <p>4 to what you said about this document in my</p> <p>5 previous question. So my question is based on</p> <p>6 in your experience in the nuclear power</p> <p>7 industry over four decades, when you have been</p> <p>8 evaluating a situation before you, have you</p> <p>9 deemed it appropriate to look at what the NRC</p> <p>10 has said and done in comparable circumstances</p> <p>11 in the past?</p> <p>12 A. I might look at it, I might look</p> <p>13 at other things that have gone on at NRC for</p> <p>14 information.</p> <p>15 Q. Okay. Now, what else in the White</p> <p>16 Paper that's part of Exhibit 48 did you</p> <p>17 disagree with when you read it?</p> <p>18 A. Item number three in paragraph one</p> <p>19 under problem statement says: The Bellefonte</p> <p>20 Unit 2 construction permit has expired but an</p> <p>21 extension request has not been acted on by NRC.</p> <p>22 So I disagreed with that in that</p> <p>23 it is my belief that the Unit 2 construction</p>	<p>1 (reviewing document).</p> <p>2 On page two under the heading TVA</p> <p>3 Interface for Construction Permit Transfer to</p> <p>4 NCFR 50.80 -- I'm sorry, in re-reading that,</p> <p>5 that is not a statement I disagree with.</p> <p>6 Q. All right.</p> <p>7 A. (Reviewing document.) On page</p> <p>8 three under the first paragraph under the</p> <p>9 heading Financial Qualifications Per 10 CFR</p> <p>10 50.33 New Rulemaking, the first paragraph</p> <p>11 represents AREVA's opinion about some pending</p> <p>12 rulemaking. And so when I first read that,</p> <p>13 that's their opinion about rulemaking that</p> <p>14 hasn't occurred and hasn't been dispositioned</p> <p>15 at the NRC. So they offer an opinion which,</p> <p>16 you know -- with which I don't necessarily</p> <p>17 agree or disagree at the time that this</p> <p>18 document was sent to us because it just</p> <p>19 represented an opinion about something that was</p> <p>20 unknown in terms of how NRC would act on</p> <p>21 rulemaking.</p> <p>22 (Reviewing document.) I think</p> <p>23 that's all of the statements on which I</p>
Page 118	Page 120
<p>1 permit has not expired, that the previous date</p> <p>2 authorized by the NRC staff had passed but a</p> <p>3 timely request had been submitted to the NRC</p> <p>4 and that based upon the timely submittal of</p> <p>5 that request, the Unit 2 construction permit</p> <p>6 remained valid.</p> <p>7 Q. And your understanding in that</p> <p>8 regard was based on your experience with how</p> <p>9 NRC -- the NRC had hired -- or had handled past</p> <p>10 expirations?</p> <p>11 A. No, it was based on an evaluation</p> <p>12 of this situation by Tennessee Valley Authority</p> <p>13 licensing and legal personnel when I was at</p> <p>14 TVA, when I was working at TVA, and advice of</p> <p>15 legal counsel from Morgan Lewis while I was at</p> <p>16 Nuclear Development.</p> <p>17 Q. Okay. Was there anything else in</p> <p>18 this White Paper with which you disagreed when</p> <p>19 you received it?</p> <p>20 A. I'm sorry, I just need to read</p> <p>21 through --</p> <p>22 Q. Certainly.</p> <p>23 A. -- the document and refresh my --</p>	<p>1 disagreed at the time.</p> <p>2 Q. All right. Do you know why</p> <p>3 Nuclear Development did not obtain this White</p> <p>4 Paper prior to closing -- or excuse me, prior</p> <p>5 to the auction?</p> <p>6 A. No, I don't know of any reason</p> <p>7 that we would have needed to do that prior to</p> <p>8 the auction.</p> <p>9 Q. Do you know -- do you know why --</p> <p>10 do you know when Mr. Haney first requested this</p> <p>11 White Paper?</p> <p>12 A. I do not.</p> <p>13 Q. Did you know it was coming before</p> <p>14 it was received?</p> <p>15 A. I did not.</p> <p>16 (Whereupon, Exhibit 49, having</p> <p>17 been previously marked for</p> <p>18 identification, was referenced in</p> <p>19 this deposition.)</p> <p>20 Q. Let me show you -- or would you</p> <p>21 pull out what has been previously marked as</p> <p>22 Exhibit 49?</p> <p>23 A. (Reviewing document.)</p>

William McCollum**11/13/2019**

Pages 121 to 124

Page 121	Page 123
<p>1 Q. Do you recall receiving a copy of</p> <p>2 this email from Mr. Mignogna to Frank Haney --</p> <p>3 excuse me, from Frank Haney to Mr. Mignogna on</p> <p>4 December 21st, 2016?</p> <p>5 A. Yes.</p> <p>6 Q. And had you had any discussions</p> <p>7 with Frank Haney about this prior to him</p> <p>8 sending it?</p> <p>9 A. No.</p> <p>10 Q. Did you have any discussions with</p> <p>11 him after he sent it?</p> <p>12 A. Yes.</p> <p>13 Q. All right. Tell me about those</p> <p>14 discussions.</p> <p>15 A. So I asked him about the email,</p> <p>16 and he and I agreed that the White Paper -- the</p> <p>17 sense of the White Paper from -- let me stop</p> <p>18 and back up.</p> <p>19 There's another context here for</p> <p>20 this email beyond the White Paper. We were</p> <p>21 also at the time scheduling meetings with the</p> <p>22 NRC to continue to engage with them on the</p> <p>23 future licensing activities. And we had -- we</p>	<p>1 that was my sense of the reason for the email.</p> <p>2 Q. Did Mr. Haney tell you that --</p> <p>3 well, strike that.</p> <p>4 So that's all you remember Mr.</p> <p>5 Haney saying about the reason for the email?</p> <p>6 A. Yes, that's all I recall.</p> <p>7 Q. Did you discuss the first sentence</p> <p>8 of the email?</p> <p>9 A. Not specifically -- I didn't</p> <p>10 specifically ask him about the first sentence,</p> <p>11 but during this period of time we were having</p> <p>12 very frequent conversations about our efforts</p> <p>13 regarding the DOE loan application, the loan</p> <p>14 guarantee program.</p> <p>15 Q. When did Nuclear Development stop</p> <p>16 its sole focus on the DOE loan guarantee and</p> <p>17 answering any questions relating to it?</p> <p>18 A. Well, Mr. Haney, Frank Haney, may</p> <p>19 have felt that he was focused solely on the DOE</p> <p>20 loan guarantee application at this time. And</p> <p>21 as I say, he and I had frequent conversations</p> <p>22 about the loan guarantee application and the</p> <p>23 information that we were supplying the DOE</p>
Page 122	Page 124
<p>1 were setting up meetings with the appropriate</p> <p>2 personnel in the NRC. And AREVA was injecting</p> <p>3 themselves into those meetings. Gary Mignogna</p> <p>4 and some of his staff took it upon themselves</p> <p>5 to contact NRC directly, work on setting up</p> <p>6 meetings and discussions and -- and so that was</p> <p>7 going on at the same period of time. And so</p> <p>8 when Frank Haney in the email says as such, we</p> <p>9 don't need slides or for y'all to attend the</p> <p>10 23rd NRC meeting, that's what he is referring</p> <p>11 to.</p> <p>12 So AREVA was attempting to inject</p> <p>13 themselves into these meetings and, in our</p> <p>14 view, creating a situation where they would</p> <p>15 bill for more hours for attending meetings with</p> <p>16 us that we didn't necessarily feel that they</p> <p>17 needed to attend with the NRC. And the sense</p> <p>18 in the White Paper also supports the notion</p> <p>19 that they, AREVA, wanted to inject themselves</p> <p>20 into -- into this effort and be in a position</p> <p>21 -- thereby be in a position to charge us more</p> <p>22 money for things that we didn't need to spend</p> <p>23 money on at that point in time. So that was --</p>	<p>1 under their request. But at the same time I</p> <p>2 was working to build the project capabilities</p> <p>3 and plans that -- to support the loan guarantee</p> <p>4 application, you had to demonstrate in a</p> <p>5 similar manner to what you would demonstrate to</p> <p>6 the NRC, you had to demonstrate your technical</p> <p>7 capabilities, construction plans and schedules,</p> <p>8 and those sort of things. So there was some</p> <p>9 overlap between the information being compiled</p> <p>10 and provided to DOE and the information that</p> <p>11 would support a CP transfer application. And I</p> <p>12 was continuing to work on building the</p> <p>13 information that would support not only the DOE</p> <p>14 application but the CP transfer application and</p> <p>15 also just the general prosecution of the</p> <p>16 project getting ready to actually get underway</p> <p>17 with the project at Bellefonte.</p> <p>18 Q. Well, you mentioned you had to</p> <p>19 gather information for purposes of the</p> <p>20 application to the NRC about technical</p> <p>21 capability.</p> <p>22 A. That's one of the topics, yes.</p> <p>23 Q. All right. And tell me what you</p>

William McCollum**11/13/2019**

Pages 125 to 128

Page 125	Page 127
<p>1 mean by technical capability.</p> <p>2 A. The ability of Nuclear</p> <p>3 Development, in conjunction with our contract</p> <p>4 partners, to do the engineering and</p> <p>5 construction work necessary to refurbish and</p> <p>6 complete the Bellefonte facility in accordance</p> <p>7 with NRC regulations and requirements.</p> <p>8 Q. And you were working on gathering</p> <p>9 that information needed about Nuclear</p> <p>10 Development's technical capability in December</p> <p>11 2016?</p> <p>12 A. Yeah, we were beginning to -- we</p> <p>13 were beginning to work -- or I was beginning to</p> <p>14 work toward having that together. And that</p> <p>15 happens in -- so -- so I would say this: There</p> <p>16 is no organization, regardless of the size or</p> <p>17 scope, TVA, Southern, that would go into a</p> <p>18 nuclear project like this with everything on</p> <p>19 the ground day one and all of the resources in</p> <p>20 place that we will ultimately need. You build</p> <p>21 those capabilities and put them in place over</p> <p>22 time, and that's what I was working on doing</p> <p>23 was building those capabilities through</p>	<p>1 contract partners in place and arrangements in</p> <p>2 place and that sort of thing. And so we worked</p> <p>3 -- we worked through that continually through</p> <p>4 that period of time as well as developing the</p> <p>5 information of the quality assurance program</p> <p>6 and financial qualifications.</p> <p>7 Q. Well, I'm not sure you remembered</p> <p>8 my question. My question was when was the</p> <p>9 information on technical capability complete to</p> <p>10 the point where you felt like what you needed</p> <p>11 for the application you had?</p> <p>12 A. I would say the technical portion</p> <p>13 was complete to my satisfaction in the summer</p> <p>14 of 2018.</p> <p>15 Q. All right. You mentioned the</p> <p>16 information about a quality assurance program</p> <p>17 that had to be put together.</p> <p>18 A. Yes.</p> <p>19 Q. When was that complete so that it</p> <p>20 was ready to be -- and you had what you needed</p> <p>21 to submit the application to the NRC?</p> <p>22 A. Late summer of 2018.</p> <p>23 Q. So August?</p>
Page 126	Page 128
<p>1 discussions with potential contract partners</p> <p>2 and the resources that we would need to</p> <p>3 complete the project.</p> <p>4 Q. And when did you obtain -- or</p> <p>5 complete your gathering of the information</p> <p>6 about technical capability that was needed to</p> <p>7 send in the application?</p> <p>8 A. It was a continual -- it was a</p> <p>9 continual process of building those</p> <p>10 capabilities and putting those things in place</p> <p>11 from -- you know, from the time of the auction,</p> <p>12 once we won the auction, through the time that</p> <p>13 we submitted the application for transfer of</p> <p>14 the construction permits.</p> <p>15 Q. Well, the application was</p> <p>16 submitted in November 2018. Was the</p> <p>17 information on technical capability not ready</p> <p>18 until then?</p> <p>19 A. I would say the information on</p> <p>20 technical capabilities -- so I have to pause</p> <p>21 because of the wording of your question. So we</p> <p>22 had information on technical capabilities which</p> <p>23 would need to be supported by the -- having</p>	<p>1 A. Around first of August.</p> <p>2 Q. So your testimony is around the</p> <p>3 first of August, you had everything you needed</p> <p>4 for the QA program in order to submit it --</p> <p>5 what you needed for the transfer application?</p> <p>6 A. We had -- we had all the</p> <p>7 background information, yes.</p> <p>8 Q. Well, did you have whatever you</p> <p>9 needed in terms of written product or</p> <p>10 otherwise, did you have it ready at the first</p> <p>11 of August for the submission of the</p> <p>12 application?</p> <p>13 MR. O'REAR: Objection. Are you</p> <p>14 referring to the quality assurance information?</p> <p>15 MR. LEMBKE: Yes. Yes, sir.</p> <p>16 A. We didn't have -- we didn't have</p> <p>17 the write-ups in the form that they were ready</p> <p>18 to submit to the NRC at that time.</p> <p>19 Q. (BY MR. LEMBKE:) When did you</p> <p>20 have those?</p> <p>21 A. Immediately prior to submission of</p> <p>22 the application.</p> <p>23 Q. And who was responsible for</p>

William McCollum**11/13/2019**

Pages 129 to 132

Page 129	Page 131
<p>1 preparing those?</p> <p>2 A. Tim Matthews with my support.</p> <p>3 Q. Wasn't SNC-Lavalin involved in</p> <p>4 drafting those too?</p> <p>5 A. They were involved primarily in</p> <p>6 drafting the quality assurance information.</p> <p>7 Q. That's what we are talking about</p> <p>8 right now, the QA information.</p> <p>9 A. SNC-Lavalin was involved in</p> <p>10 drafting the proposed quality assurance program</p> <p>11 information.</p> <p>12 Q. So they didn't get it to you --</p> <p>13 what they needed to get to you until just</p> <p>14 before the submission of the application?</p> <p>15 A. Well, again, it was a process of</p> <p>16 they wrote things, we had comments, there were</p> <p>17 rewrites. And so -- and so, yes, it wasn't in</p> <p>18 its final form for submittal until very soon</p> <p>19 before we submitted the application.</p> <p>20 Q. In November 2018?</p> <p>21 A. We submitted the application in</p> <p>22 November of 2018.</p> <p>23 Q. All right. When was what you</p>	<p>1 form?</p> <p>2 A. The submittal written up, yes.</p> <p>3 Q. All right. What about were you</p> <p>4 involved in gathering -- let me start over.</p> <p>5 You understood that there was also</p> <p>6 information about financial capability of</p> <p>7 Nuclear Development that had to be included in</p> <p>8 the application for the transfer of the</p> <p>9 construction permits, correct?</p> <p>10 A. That is correct.</p> <p>11 Q. Were you involved in gathering</p> <p>12 that?</p> <p>13 A. That was primarily Frank Haney's</p> <p>14 responsibility and he furnished most of that</p> <p>15 information. Once he furnished the</p> <p>16 information, I commented on it, as did Tim</p> <p>17 Matthews. And so there was some back-and-forth</p> <p>18 with Frank Haney about getting the information</p> <p>19 and getting it in a form that we thought was</p> <p>20 suitable for the application.</p> <p>21 Q. All right. When did you recall</p> <p>22 having all of the information on financial</p> <p>23 capability?</p>
Page 130	Page 132
<p>1 needed in terms of written product concerning</p> <p>2 technical capability that had to go into the</p> <p>3 application ready to go?</p> <p>4 A. Best of my recollection, around</p> <p>5 the end of July 2018.</p> <p>6 Q. All right. You said you also</p> <p>7 needed to gather information on construction</p> <p>8 plans and schedules to go into the transfer</p> <p>9 application?</p> <p>10 A. Uh-huh, yes, I did.</p> <p>11 Q. All right. When was that</p> <p>12 information gathered and written up in a form</p> <p>13 that you believed it was essentially ready to</p> <p>14 be included in the application?</p> <p>15 A. Well, I would say all of the</p> <p>16 information was -- we basically had all of the</p> <p>17 information together around first to middle of</p> <p>18 August, but then, you know, writing up the</p> <p>19 final form to submit with the application took</p> <p>20 until late October 2018.</p> <p>21 Q. So it essentially took somewhere</p> <p>22 two to three months from having all of the</p> <p>23 information to getting it written up in final</p>	<p>1 A. Best of my recollection, somewhere</p> <p>2 around the June 2018 time frame.</p> <p>3 Q. And when do you recall the written</p> <p>4 product being ready, that component of it</p> <p>5 concerning financial capability for the</p> <p>6 application?</p> <p>7 A. I would say it was roughly right</p> <p>8 by July, first of August time frame.</p> <p>9 Q. Other than the QA program, the</p> <p>10 technical capability, the construction plans</p> <p>11 and schedules and the financial capability, was</p> <p>12 there any other area of information that you</p> <p>13 were involved in gathering for the application?</p> <p>14 A. As I mentioned before, we were</p> <p>15 concerned about wanting to get some statement</p> <p>16 of consent or support from Tennessee Valley</p> <p>17 Authority, so I continued to have conversations</p> <p>18 with Tim Matthews regarding his attempts to get</p> <p>19 that basically up until the time we filed the</p> <p>20 application.</p> <p>21 Q. Well, what did he tell you?</p> <p>22 MR. O'REAR: Objection.</p> <p>23 Attorney-client privilege. Instruct you not to</p>

William McCollum**11/13/2019**

Pages 133 to 136

<p style="text-align: right;">Page 133</p> <p>1 answer.</p> <p>2 MR. LEMBKE: All right.</p> <p>3 Q. (BY MR. LEMBKE:) But you were</p> <p>4 not -- just to be clear, after your late 2017</p> <p>5 conversation with Joe Shea, you were not</p> <p>6 personally involved in any such communication</p> <p>7 with TVA about consent, correct?</p> <p>8 A. Consent to the construction permit</p> <p>9 transfer --</p> <p>10 Q. Yes.</p> <p>11 A. -- correct.</p> <p>12 Q. Let me show you what I am going to</p> <p>13 mark as Exhibit 74.</p> <p>14 (Exhibit Number 74 was marked for</p> <p>15 identification.)</p> <p>16 Q. This is email to you from Mr.</p> <p>17 Mignogna dated January 5, 2017, correct?</p> <p>18 A. That's correct.</p> <p>19 Q. And did you respond to Mr.</p> <p>20 Mignogna concerning this email?</p> <p>21 MR. O'REAR: Did you say December</p> <p>22 5? I'm sorry.</p> <p>23 MR. LEMBKE: I said January 5.</p>	<p style="text-align: right;">Page 135</p> <p>1 need to support -- in terms of getting an</p> <p>2 operating license from the Nuclear Regulatory</p> <p>3 Commission for the plant, AREVA would need to</p> <p>4 support safety analysis, fuel analysis, and a</p> <p>5 number of things that have to be done there.</p> <p>6 So it is a situation where we know that we have</p> <p>7 to work and maintain a good working</p> <p>8 relationship with AREVA on this project.</p> <p>9 At the same time, as I indicated</p> <p>10 before, they were trying to inject themselves a</p> <p>11 little too early in these interfaces and trying</p> <p>12 to essentially take the lead on these</p> <p>13 interfaces with NRC. And so my conversation</p> <p>14 with Gary on this was, look, I understand that</p> <p>15 you guys are concerned and you want to be</p> <p>16 involved and you want to help Bellefonte</p> <p>17 succeed and so forth, but there's really not</p> <p>18 any need for you to inject yourself to this</p> <p>19 degree or take the lead on these meetings, I</p> <p>20 will be okay, Frank will be okay, you know, we</p> <p>21 can handle this.</p> <p>22 And we ended up agreeing for them</p> <p>23 to attend this particular meeting in a support</p>
<p style="text-align: right;">Page 134</p> <p>1 MR. O'REAR: I'm sorry.</p> <p>2 MR. LEMBKE: If I said December, I</p> <p>3 meant January.</p> <p>4 MR. O'REAR: You may have, and I</p> <p>5 just --</p> <p>6 A. I'm sorry, what was the question</p> <p>7 again?</p> <p>8 Q. (BY MR. LEMBKE:) The question is,</p> <p>9 do you recall responding to Mr. Mignogna</p> <p>10 pertaining to this email?</p> <p>11 A. I recall a phone conversation that</p> <p>12 I had with Gary Mignogna.</p> <p>13 Q. All right. And what do you recall</p> <p>14 about that conversation?</p> <p>15 A. Well, as I mentioned before, we</p> <p>16 were having meetings with the Nuclear</p> <p>17 Regulatory Commission staff to engage regarding</p> <p>18 the Bellefonte project. And so we had a</p> <p>19 meeting coming up and -- AREVA, which is now</p> <p>20 called Framatome, is the owner of the design of</p> <p>21 the reactors at Bellefonte; and as such, as a</p> <p>22 practical matter, we have to work with them to</p> <p>23 be able to complete the project. They would</p>	<p style="text-align: right;">Page 136</p> <p>1 role, but what I was tactfully trying to</p> <p>2 suggest to Gary was we know we are going to</p> <p>3 have to work together on the project, but how</p> <p>4 about you let us have the lead on the project</p> <p>5 right now.</p> <p>6 Q. And was there a January 2017</p> <p>7 meeting with the NRC?</p> <p>8 A. I believe so.</p> <p>9 Q. And was that your first meeting</p> <p>10 with the NRC about Bellefonte?</p> <p>11 A. I don't recall. We had a number</p> <p>12 of interfaces, so this may have been our first</p> <p>13 face-to-face meeting, but I don't recall for</p> <p>14 certain.</p> <p>15 Q. And you and Mr. Haney, meaning</p> <p>16 Frank Haney, and Mr. Mignogna were present?</p> <p>17 A. Uh-huh.</p> <p>18 Q. Is that right?</p> <p>19 A. That's correct.</p> <p>20 Q. Was there anyone else on the</p> <p>21 Nuclear Development side of the table at the</p> <p>22 meeting?</p> <p>23 A. I don't recall anyone else.</p>

William McCollum**11/13/2019**

Pages 137 to 140

<p style="text-align: right;">Page 137</p> <p>1 Q. All right. And who do you recall 2 being there for NRC? 3 A. Oh, gosh. I don't -- I don't 4 recall everyone who was there. There were -- 5 there were a number of people. I would have 6 to -- I would have to refresh my recollection 7 on that particular meeting. 8 Q. Was Victor McCree there? 9 A. If this is the meeting where we 10 met with Victor McCree and his staff, we had a 11 face-to-face meeting, Victor McCree at the time 12 was the executive director of operations for 13 the NRC, so he was the person -- the top person 14 with responsibility for day-to-day operations 15 within the NRC. And we had a face-to-face 16 meeting where we met with Victor, a number of 17 his direct reports, some people from the 18 project management function within the NRC, the 19 office general counsel, and a number of others. 20 The room was fairly full. 21 Q. To the best of your recollection, 22 was that the meeting in January 2017? 23 A. It may have been. Again, I would</p>	<p style="text-align: right;">Page 139</p> <p>1 resume active construction that -- some people 2 refer to that as the hundred-and-twenty-day 3 letter or the hundred-and-eighty-day letter, 4 but we would -- we expressed to them that we 5 would intend to send them such a letter and 6 tell them that -- give them advance notice, 7 because you are required to give them advanced 8 notice because it engages resources from NRC 9 Region II to actually come to the site and 10 perform various inspection protocols that they 11 have in support of moving the status of the 12 construction permits from deferred plant status 13 to active construction status. 14 And then we also talked about our 15 intent then to move into the operating license. 16 TVA had previously submitted operating license 17 applications for the Bellefonte units. Those 18 had obviously been put in abeyance when TVA 19 stopped work on Bellefonte. And we discussed 20 with Victor and his staff our intent to 21 supplement and revise the existing operating 22 license applications and move those into active 23 consideration by NRC staff at a point in time</p>
<p style="text-align: right;">Page 138</p> <p>1 have to consult information or refresh my 2 memory before I could tell you for certain. 3 Q. All right. What do you recall 4 being discussed at the January 2017 meeting? 5 A. Well, again, assuming this was the 6 meeting with Victor McCree and his staff, we 7 talked about our intent to purchase, complete, 8 and put into operation the two nuclear units at 9 Bellefonte and that we would be submitting a 10 request for transfer of the construction 11 permits which would require some staff time for 12 NRC there. At the time, Victor's main concern 13 that he expressed in the meeting and the 14 interest expressed by other members of his 15 staff was in understanding what's going to be 16 the impact on NRC resources as you go forward. 17 So transferring the construction 18 permits engages -- requires some level of staff 19 resource at NRC to review. In addition, we 20 talked about our intent once we had the site 21 and had the construction permits in hand and 22 deferred plant status that we would intend to 23 send them a letter expressing our intent to</p>	<p style="text-align: right;">Page 140</p> <p>1 as we moved forward. So those were the major 2 topics that we discussed. 3 Q. All right. I am not going to mark 4 this, but I am going to let you see if that 5 refreshes your recollection that the meeting in 6 January 2017 was, in fact, the meeting that 7 Victor McCree and his staff attended. 8 A. Yes. 9 Q. All right. Now, you mention that 10 there -- you told them about your intent to 11 submit a request for transfer of the 12 construction permits? 13 A. Yes. 14 Q. Do you recall the specific -- any 15 specifics of that discussion? 16 A. What I recall is we said we would 17 intend to submit an application to transfer the 18 construction permits, and they said that that 19 will require some resources on our part to 20 review that application and it will take at 21 least several months for us to process such an 22 application. 23 Q. Did you give any indication or</p>

William McCollum**11/13/2019**

Pages 141 to 144

Page 141	Page 143
<p>1 anyone at Nuclear Development or there on</p> <p>2 behalf of Nuclear Development give any</p> <p>3 indication as to when Nuclear Development</p> <p>4 intended to submit the application for the</p> <p>5 approval of the transfer of the construction</p> <p>6 permits?</p> <p>7 A. At the time of that meeting, we</p> <p>8 were hoping to move ahead quickly on the</p> <p>9 project. And so we told them that we would</p> <p>10 submit the transfer application when we were</p> <p>11 ready, but it might be within the next several</p> <p>12 months or sometime along there, but that that,</p> <p>13 in our view, was -- you know, that was part of</p> <p>14 the overall progressing of the project as we</p> <p>15 went forward.</p> <p>16 Q. Did you tell them when the</p> <p>17 contractual closing date was for the transfer</p> <p>18 -- or for the acquisition of the Bellefonte</p> <p>19 site?</p> <p>20 A. I don't recall that specifically,</p> <p>21 but I believe we probably did.</p> <p>22 Q. And was there any discussion about</p> <p>23 whether the transfer of the construction</p>	<p>1 January 2017?</p> <p>2 A. Not that I can recall.</p> <p>3 Q. Did you take any notes during that</p> <p>4 meeting?</p> <p>5 A. So my normal practice in those</p> <p>6 sort of meetings is I will typically jot down a</p> <p>7 few notes as we go through the meeting just to</p> <p>8 help get things into my memory and then I throw</p> <p>9 the notes away when I get home.</p> <p>10 Q. Have you looked to see if you have</p> <p>11 any notes about Bellefonte still in your</p> <p>12 possession?</p> <p>13 A. I don't.</p> <p>14 Q. You don't have them or you didn't</p> <p>15 look?</p> <p>16 A. I do not -- I do not have them.</p> <p>17 Q. Okay. All right, let me show you</p> <p>18 what has been pre -- if you will look for</p> <p>19 Exhibit 37.</p> <p>20 (Whereupon, Exhibit Number 37,</p> <p>21 having been previously marked for</p> <p>22 identification, was referenced in</p> <p>23 this deposition.)</p>
Page 142	Page 144
<p>1 permits needed to be approved by the NRC before</p> <p>2 closing on the sale transaction occurred?</p> <p>3 A. No.</p> <p>4 Q. No discussion one way or the other</p> <p>5 on that, right?</p> <p>6 A. That's correct.</p> <p>7 Q. Did NRC officials give any</p> <p>8 indication -- well, strike.</p> <p>9 They said it would take months to</p> <p>10 review, is that what you said, the application</p> <p>11 for transfer of the construction permits?</p> <p>12 A. They said that we should plan on</p> <p>13 the processing of the application for transfer</p> <p>14 of the construction permits to take three to</p> <p>15 six months was the time frame they threw out.</p> <p>16 And then they quickly followed that with the</p> <p>17 caveat that NRC always uses, which is that they</p> <p>18 can't commit to definite time frames, their</p> <p>19 reviews take whatever time they take.</p> <p>20 Q. Other than what you have told me,</p> <p>21 do you recall anything else that was discussed</p> <p>22 about an application for transfer of the</p> <p>23 construction permits during that meeting in</p>	<p>1 MR. O'REAR: Is this --</p> <p>2 MR. LEMBKE: It is the same 37 --</p> <p>3 it was not yesterday.</p> <p>4 MR. O'REAR: Okay. Does he have</p> <p>5 it? You said if you would look for it.</p> <p>6 Q. (BY MR. LEMBKE:) Oh, excuse me.</p> <p>7 I'm sorry, Mr. McCollum. There you go, there</p> <p>8 is a copy of 37.</p> <p>9 A. Thank you. (Reviewing document.)</p> <p>10 Q. All right. This is a series of</p> <p>11 emails you exchanged with Joe Shea of TVA on</p> <p>12 January 29th and January 30th, 2017, correct?</p> <p>13 A. Correct.</p> <p>14 Q. And this refers to a conversation</p> <p>15 that you were going to have with Mr. Shea. Was</p> <p>16 that the conversation you testified to earlier?</p> <p>17 A. Yes.</p> <p>18 Q. Okay. And do you remember</p> <p>19 anything else about it other than what you</p> <p>20 testified to earlier?</p> <p>21 A. About the conversation?</p> <p>22 Q. Yes, sir.</p> <p>23 MR. O'REAR: Let me just object.</p>

William McCollum**11/13/2019**

Pages 145 to 148

Page 145	Page 147
<p>1 I think you discussed multiple conversations 2 with Mr. Shea.</p> <p>3 Q. (BY MR. LEMBKE:) Well, do you 4 remember having a conversation with Mr. Shea in 5 late January of 2017?</p> <p>6 A. Yes.</p> <p>7 Q. And you told me about that 8 conversation earlier today, correct?</p> <p>9 A. Yes, and also a conversation in 10 March of 2017.</p> <p>11 Q. All right. As to the one in 12 January, is there anything about that 13 conversation that you recall that you have not 14 already told me?</p> <p>15 A. No. However, now that I see the 16 email chain, my email to Joe indicates that I 17 got an understanding about TVA's support of the 18 Bellefonte construction permit transfer from 19 talking to Frank. So I had indicated before 20 that I wasn't for sure how I formed that 21 notion. There may have been some conversation 22 with Frank that led me to believe that TVA was 23 going to play a role in that.</p>	<p>1 from working at TVA is it's a large and 2 bureaucratic organization and there are times 3 that one group doesn't know what other groups 4 are doing. So it was clear to me that Joe Shea 5 had a particular understanding, and in his 6 email he indicates that I spoke with the 7 transition team and they don't have anything 8 going on regarding that. So that indicated to 9 me that Joe was -- that perhaps there were 10 other people within the NRC --</p> <p>11 Q. Do you mean TVA?</p> <p>12 A. Excuse me, yes, thank you. That 13 there were perhaps other people or other groups 14 within TVA who might support this effort. And 15 so what was clear to me is Joe either -- Joe 16 wasn't planning to do anything and didn't think 17 they were going to do anything, but didn't seem 18 to be the only one who had fingers in this.</p> <p>19 Q. All right. Well, let's look back 20 at Exhibit 37.</p> <p>21 A. Yes.</p> <p>22 Q. Okay. I think you just referenced 23 the very top email on the first page where Mr.</p>
Page 146	Page 148
<p>1 Q. You don't recall the specifics of 2 that conversation with Frank, do you?</p> <p>3 A. I don't recall the conversation at 4 all.</p> <p>5 Q. Okay. After talking to Mr. Shea, 6 did you have a conversation with Frank about 7 any of this in January of 2017 or early 8 February?</p> <p>9 A. No.</p> <p>10 Q. All right. Let me show you what I 11 am going to mark as Exhibit 75. 12 (Exhibit Number 75 was marked for 13 identification.)</p> <p>14 Q. Before we do that -- so was it 15 clear -- following your discussion with Mr. 16 Shea in January of 2017, was it clear to you 17 after receiving -- looking at the emails we 18 just looked at in 37 and having the 19 conversation in that same time frame, that TVA 20 was looking to Nuclear Development to take the 21 lead on preparing the application for the 22 construction permit transfer?</p> <p>23 A. Well, not entirely. My experience</p>	<p>1 Shea says to you: I confirmed with our 2 transition team this morning that we do not 3 have any activity ongoing regarding developing 4 a permit transfer application, right?</p> <p>5 A. Right.</p> <p>6 Q. And are you saying you took from 7 that that some other area of TVA other than TVA 8 licensing might be going to take the lead on 9 it?</p> <p>10 A. I thought that was a possibility, 11 because I was surprised that the head of 12 licensing for the nuclear function for TVA 13 would be talking with somebody else about 14 whether or not they were developing a permit 15 transfer application.</p> <p>16 Q. Well, and the reason you were 17 surprised is because if anyone was going to do 18 it at TVA, you would have expected it to be TVA 19 licensing?</p> <p>20 A. You would think that -- you would 21 think that the nuclear licensing group within 22 TVA would be involved in developing a permit 23 transfer application.</p>

William McCollum**11/13/2019**

Pages 149 to 152

Page 149

1 Q. In your phone conversation in this
2 time frame, January 2017, with Mr. Shea, did
3 you ask him is anyone other than TVA licensing
4 at TVA going to be taking the lead on this?

5 A. I think I -- best of my
6 recollection, the way I phrased the question to
7 Joe Shea was are any of you guys at TVA going
8 to work to get the transfer application going.
9 And his response was something like I have been
10 told not to work on or do anything with the
11 permit transfer application.

12 Again, my experience in TVA is
13 that it is not unheard of for one group to
14 think something is going on and not understand
15 that some other place within TVA there is work
16 going on. So that left open in my mind the
17 possibility that perhaps Joe had been told not
18 to do anything but that somewhere else in TVA
19 someone might believe they were going to work
20 on it.

21 Q. You were familiar with the TVA
22 transition team, correct?

23 A. No. I was told that Jim Chardos

Page 151

1 TVA to ask if anyone else, in fact, was working
2 on it?

3 A. I did not. I was continuing to
4 have conversations with Joe Shea at that time.

5 Q. All right. And Mr. Shea never
6 changed what he told you in January that his
7 group wasn't working on it, correct?

8 A. Correct.

9 Q. All right.

10 MR. O'REAR: Can we take a break
11 now?

12 MR. LEMBKE: Certainly.

13 THE VIDEOGRAPHER: We are off the
14 record at 10:11 a.m.

15 (Whereupon, a break was had from
16 10:11 a.m. until 10:25 a.m.)

17 THE VIDEOGRAPHER: We are back on
18 the record at 10:25 a.m.

19 Q. (BY MR. LEMBKE:) Mr. McCollum,
20 before we broke, we were talking about a
21 conversation you had with Mr. Shea around the
22 end of January 2017.

23 A. Correct.

Page 150

1 was our contact for the TVA transition team,
2 but I wasn't told who the transition team
3 really was.

4 Q. All right. Well, with Mr. Shea
5 having told you he wasn't working -- his group
6 wasn't working on it and having been told that
7 he had confirmed with the transition team that
8 they didn't have any activity ongoing regarding
9 doing it, did you following that conversation
10 with Mr. Shea contact anyone else at TVA to
11 find out if anyone was working on it?

12 A. I did not. Following the
13 face-to-face conversation that we had that's
14 indicated in Exhibit 75 --

15 Q. I'm not there yet. I'm at -- I am
16 still at the end of January 2017.

17 A. Okay.

18 Q. And you said you thought there was
19 a possibility that someone else was working on
20 it, notwithstanding what Mr. Shea had told you
21 verbally and in writing.

22 And my question is, at or about
23 that time did you follow up with anyone else at

Page 152

1 Q. And then you previously referenced
2 a conversation you had with him in March in
3 conjunction with a meeting you were attending
4 in Maryland, right?

5 A. Right.

6 Q. Did you have any conversations
7 with Mr. Shea between those two conversations
8 about the topic of preparation of the
9 application for transfer of the construction
10 permits?

11 A. Not that I recall.

12 Q. Okay. And between those two dates
13 did you have any conversations with Mr. Shea --
14 excuse me, with anyone else at TVA about the
15 topic of preparation of the application for
16 transfer of the construction permits?

17 A. I think I may have had a
18 conversation with Jim Chardos about my
19 conversation with Joe Shea and, you know, my
20 interest in finding out if someone at TVA was
21 going to work on this, but that didn't lead to
22 anything.

23 Q. Well, what did Mr. Chardos say?

William McCollum**11/13/2019**

Pages 153 to 156

Page 153

1 A. Basically that he didn't know
2 anything about it.
3 Q. Okay. And other than that
4 conversation with Mr. Chardos, there was no one
5 else at TVA you spoke to between the two Shea
6 conversations in January and March of 2017?
7 A. Not that I recall.
8 Q. Okay. Now, before you is Exhibit
9 75; and this is an exchange of emails where you
10 were setting up your meeting with Mr. Shea, it
11 looks like, on March 14th, 2017?
12 A. Yes.
13 Q. All right. And tell me what you
14 recall about that conversation.
15 A. We were both at the -- attending
16 the NRC regulatory information conference in
17 Bethesda. And so Joe had suggested it would be
18 good to get together and talk while we were
19 there, and we set up a face-to-face discussion.
20 We just talked for a short time about the
21 transfer of the construction permits. Joe
22 reiterated that his understanding was that they
23 weren't going to do anything regarding

Page 155

1 A. No.
2 Q. Did you tell Mr. Shea in that
3 meeting in March that Nuclear Development was
4 going to take the lead?
5 A. I don't recall telling him that.
6 Q. Now, yesterday in your deposition
7 you said there were some things in Mr. Shea's
8 deposition about those conversations with which
9 you disagreed.
10 A. Uh-huh.
11 Q. Is that correct?
12 A. That is correct.
13 Q. All right. What did he say about
14 your conversations with which you disagree?
15 MR. O'REAR: In his deposition?
16 MR. LEMBKE: In his deposition.
17 A. Yeah, as I recall, in his
18 deposition he made -- he made some statement
19 that he told everyone from the beginning that
20 TVA wasn't going to work on preparing the
21 license application. And I recall our initial
22 -- my initial conversation with Joe Shea on
23 that topic a little differently in that he --

Page 154

1 preparing the application for the transfer of
2 the construction permits. And I told him I
3 thought that was -- that was a shame, because
4 they obviously had the background information,
5 it would have been relatively easy for them to
6 put together the application format. And
7 that's basically what we discussed.
8 Q. So did you ask him is there anyone
9 else at TVA who is working on this, going to
10 work with us, or words to that effect?
11 A. Not that I recall.
12 Q. Okay. So as of March 14th, 2017,
13 it was crystal clear to you that TVA was not
14 going to take the lead in preparing the
15 application, correct?
16 A. It was -- it was crystal clear to
17 me that Joe Shea and the nuclear licensing
18 group weren't going to take any role in
19 preparing the transfer application.
20 Q. All right. Well, after -- after
21 that date did you ask anyone else at TVA if
22 anyone else was going to be involved in
23 preparing the application?

Page 156

1 my recollection of it was he was not as
2 definitive about they weren't going to do it in
3 that initial conversation.
4 Q. (BY MR. LEMBKE:) All right. But
5 you've already told me today everything you can
6 remember about that conversation in late
7 January, correct?
8 A. That's correct.
9 Q. Let me show you what I am going to
10 mark as Exhibit 76.
11 (Exhibit Number 76 was marked for
12 identification.)
13 A. (Reviewing document.)
14 MR. O'REAR: This is a new
15 exhibit?
16 MR. LEMBKE: Yes.
17 Q. (BY MR. LEMBKE:) Mr. McCollum, I
18 asked if you had raised the issue with anyone
19 at TVA about who was going to prepare the
20 application after your March 2017 meeting. To
21 your knowledge, did anyone at Nuclear
22 Development raise that issue with anyone at TVA
23 after your meeting on -- in mid-March of 2017

William McCollum**11/13/2019**

Pages 157 to 160

Page 157	Page 159
<p>1 with Mr. Shea?</p> <p>2 A. I'm sorry, I'm a little confused</p> <p>3 by the question.</p> <p>4 Q. Sure. You talked just a moment</p> <p>5 ago about your meeting with Mr. Shea in March</p> <p>6 of 2017.</p> <p>7 A. Yes.</p> <p>8 Q. And I asked if you had ever talked</p> <p>9 to anyone else at TVA about that issue who</p> <p>10 would be preparing the application after that</p> <p>11 meeting, and you told me no.</p> <p>12 A. (Nodding head affirmatively.)</p> <p>13 Q. My question is, to your knowledge,</p> <p>14 did anyone associated with Nuclear Development</p> <p>15 discuss that issue with anyone at TVA after</p> <p>16 your meeting on -- in mid-March?</p> <p>17 A. I think that Tim Matthews may have</p> <p>18 broached that topic with TVA OGC.</p> <p>19 Q. All right. And when did Mr.</p> <p>20 Matthews broach that topic with TVA OGC?</p> <p>21 A. I don't have specific knowledge</p> <p>22 about -- about that. I know Tim Matthews and I</p> <p>23 had conversations about it and I think he may</p>	<p>1 instructing him not to answer any more</p> <p>2 questions about that. I don't think he opened</p> <p>3 the door to anything. But he's -- I am</p> <p>4 instructing him not to answer any direct</p> <p>5 communications he had with Tim Matthews and</p> <p>6 what was said in those communications.</p> <p>7 MR. LEMBKE: Mr. O'Rear, your</p> <p>8 witness cannot come in here and say yes, I</p> <p>9 believe Tim Matthews talked about that with OGC</p> <p>10 and then you instruct him not to then say what</p> <p>11 Tim Matthews told him about the conversations</p> <p>12 with OGC.</p> <p>13 MR. O'REAR: He said he was --</p> <p>14 that's just his awareness of a conversation.</p> <p>15 He just said he was not privy to it and he</p> <p>16 doesn't know what was said in the conversation,</p> <p>17 so --</p> <p>18 MR. LEMBKE: Well --</p> <p>19 MR. O'REAR: You asked him about</p> <p>20 an issue, and I am -- I am instructing him not</p> <p>21 to answer about specific conversations that he</p> <p>22 had with his counsel.</p> <p>23 Q. (BY MR. LEMBKE:) And are you</p>
Page 158	Page 160
<p>1 have raised that issue in his conversations</p> <p>2 with OGC, but I don't have knowledge of a</p> <p>3 specific conversation.</p> <p>4 Q. Well, do you recall that Mr.</p> <p>5 Matthews told you that he had raised it with</p> <p>6 TVA OGC?</p> <p>7 MR. O'REAR: Objection, that calls</p> <p>8 for attorney-client --</p> <p>9 MR. LEMBKE: He has opened the</p> <p>10 door to that.</p> <p>11 MR. O'REAR: What did --</p> <p>12 MR. LEMBKE: He testified that Mr.</p> <p>13 Matthews told him that. He can't -- you can't</p> <p>14 now instruct him not to answer.</p> <p>15 MR. O'REAR: He just said he was</p> <p>16 aware of it. He didn't say what Mr. Matthews</p> <p>17 said.</p> <p>18 MR. LEMBKE: He said Mr. Matthews</p> <p>19 told him that.</p> <p>20 MR. O'REAR: Okay.</p> <p>21 MR. LEMBKE: Are you instructing</p> <p>22 him not to answer that question?</p> <p>23 MR. O'REAR: Yeah, I am</p>	<p>1 going to follow that instruction?</p> <p>2 A. Yes.</p> <p>3 MR. LEMBKE: Let me note on the</p> <p>4 record that we are going to reserve the right</p> <p>5 to reopen this deposition based upon this</p> <p>6 instruction.</p> <p>7 Q. (BY MR. LEMBKE:) Other than the</p> <p>8 conversation that -- to be clear, you are not</p> <p>9 sure that Mr. Matthews ever had a conversation</p> <p>10 with OGC about this issue, correct?</p> <p>11 A. Correct.</p> <p>12 Q. And you are not -- you are not</p> <p>13 aware with certainty of any conversation that</p> <p>14 anyone representing Nuclear Development had</p> <p>15 with anyone at TVA about this issue after your</p> <p>16 mid-March 2017 meeting with Mr. Shea, correct?</p> <p>17 A. Correct.</p> <p>18 Q. All right. I'd put before you</p> <p>19 Exhibit 76, which is an email to you and others</p> <p>20 from Patrick Whitten at AREVA dated January 27,</p> <p>21 2017; do you see that?</p> <p>22 A. I do.</p> <p>23 Q. And it says: From your meeting</p>

William McCollum**11/13/2019**

Pages 161 to 164

Page 161	Page 163
<p>1 with the NRC on January 23rd, a follow-up 2 meeting with each commissioner was agreed. 3 Do you see that? 4 A. Yes. 5 Q. Was, in fact, a follow-up meeting 6 with each commissioner agreed at that January 7 23rd meeting you attended with NRC? 8 A. We discussed in the January 23rd 9 meeting that we intended to follow up with 10 drop-ins to speak with the NRC commissioners, 11 and Victor McCree indicated that he thought 12 that that would be a very good idea for us to 13 do that. 14 Q. All right. And did anyone 15 representing NRC have such drop-ins with the 16 NRC commissioners -- excuse me, let me strike 17 that. Excuse me. 18 Did anyone representing Nuclear 19 Development follow up and have drop-in meetings 20 with each commissioner? 21 A. Yes. 22 Q. When did those occur? 23 A. Well, best of my recollection,</p>	<p>1 mentioning that we would transfer the 2 construction permits. 3 Q. But no specifics? 4 A. No. 5 Q. Mr. McCollum, let me show what I 6 am going to mark as Exhibit 77. 7 MR. LEMBKE: Well, I will have to 8 go off the record and make another copy. 9 THE VIDEOGRAPHER: We are off the 10 record at 10:38 a.m. 11 (Whereupon, a break was had from 12 10:38 a.m. until 10:41 a.m.) 13 THE VIDEOGRAPHER: We are back on 14 the record at 10:41 a.m. 15 A. Before you ask another question, 16 can I revise my answer to a previous question? 17 Q. (BY MR. LEMBKE:) Certainly. 18 A. So initially I had said I thought 19 we met with four NRC commissioners. My best 20 recollection now after thinking about it for a 21 couple of minutes is that we met with three 22 commissioners at those drop-ins. 23 Q. Okay. And -- but your testimony</p>
Page 162	Page 164
<p>1 they were in April 2017. 2 Q. Did you attend each one? 3 A. Yes -- well, all of the meetings 4 -- all of the meetings occurred on one day, and 5 I attended those meetings. 6 Q. And how many NRC commissioners are 7 there? 8 A. It varies. It varies from time to 9 time depending on open slots. 10 Q. How many do you recall meeting 11 with in April 2017? 12 A. At least four. 13 Q. And what was discussed during 14 those meetings? 15 A. It was a general discussion about 16 our intent to purchase the Bellefonte site, 17 refurbish the units and obtain operating 18 licenses and put them into service. 19 Q. Do you recall there being any 20 discussion with any of the commissioners about 21 the application to transfer the construction 22 permits? 23 A. Not -- not beyond just simply</p>	<p>1 about what you remember about the content of 2 the conversations has not changed, correct? 3 A. No, it has not. 4 Q. Okay. 5 (Exhibit Number 77 was marked for 6 identification.) 7 Q. Let me show you what I have marked 8 as Exhibit 77. And this is an email with 9 attachments that you sent on February 1st, 2017 10 to Victor McCree and three others at the NRC, 11 correct? 12 A. That's correct. 13 Q. All right. And you say -- 14 MR. LEMBKE: Caine, let me see 15 your copy back. I think I have got a 16 highlighted page -- okay. 17 Q. (BY MR. LEMBKE:) Let me see your 18 copy and make sure -- okay. Good, I wanted to 19 make sure. 20 All right. In this you begin -- 21 you address it to Victor, correct? 22 A. Correct. 23 Q. And you express appreciation for</p>

William McCollum**11/13/2019**

Pages 165 to 168

Page 165	Page 167
<p>1 the meeting on January 23rd, and you say: I</p> <p>2 appreciate you and your staff members meeting</p> <p>3 with us on January 23rd to discuss the</p> <p>4 Bellefonte nuclear project, the purchase of the</p> <p>5 Bellefonte nuclear site by Nuclear Development,</p> <p>6 LLC (ND), and our plans to apply for transfer</p> <p>7 of the construction permits from TVA to ND.</p> <p>8 Is that what it says?</p> <p>9 A. That's what it says.</p> <p>10 Q. All right. And then in the second</p> <p>11 paragraph, it begins: Per your request,</p> <p>12 attached are two documents relating to the</p> <p>13 project schedule and resource plans. It says:</p> <p>14 The first is a timeline of major project</p> <p>15 milestones, the second is a bar graph</p> <p>16 indicating our plans for ramping up</p> <p>17 construction resources to complete Units 1 and</p> <p>18 2.</p> <p>19 Is that right?</p> <p>20 A. That's correct.</p> <p>21 Q. Now, if you look at the third page</p> <p>22 of the exhibit, that is the project schedule</p> <p>23 that you sent to Mr. McCree and the others at</p>	<p>1 and be ready to move ahead, there was a desire</p> <p>2 to have the closing sooner and get started on</p> <p>3 construction.</p> <p>4 Q. In this schedule nowhere do you --</p> <p>5 well, in this schedule numbered -- item number</p> <p>6 nine, you have transfer construction permit and</p> <p>7 obtain o-p-e-r -- I take it that is operating?</p> <p>8 A. Correct.</p> <p>9 Q. -- operating license for Unit 1,</p> <p>10 begin July 2017, end March 2024. Do you see</p> <p>11 that?</p> <p>12 A. Yes.</p> <p>13 Q. And so what did you intend for the</p> <p>14 July 2017 date for Unit 1 and transfer the</p> <p>15 construction permit to indicate?</p> <p>16 A. To indicate the submittal of the</p> <p>17 application for transfer of the construction</p> <p>18 permits.</p> <p>19 Q. Okay. And why did you have a</p> <p>20 different date for Unit 2 as the start date?</p> <p>21 A. Because there was -- there was</p> <p>22 some thought -- we were thinking about the</p> <p>23 possibility of taking longer for the</p>
Page 166	Page 168
<p>1 the NRC, correct?</p> <p>2 A. Correct.</p> <p>3 Q. And did you prepare this schedule?</p> <p>4 A. I did.</p> <p>5 Q. Okay. And you were sending this</p> <p>6 in February of 2017, correct?</p> <p>7 A. That's correct.</p> <p>8 Q. Now, you were indicating here that</p> <p>9 in activity number one, transfer Bellefonte to</p> <p>10 Nuclear Development and begin mobilization,</p> <p>11 that you thought the transfer of the site would</p> <p>12 be complete ownership of it by December 2017?</p> <p>13 A. Yes, activity one refers to the</p> <p>14 transfer of the property to Nuclear</p> <p>15 Development.</p> <p>16 Q. All right. And what was the basis</p> <p>17 for your belief in February of 2017 that in</p> <p>18 eleven months' time, the closing would have</p> <p>19 occurred?</p> <p>20 A. We were -- we were working on the</p> <p>21 basis that we might try to close on the sale of</p> <p>22 the property earlier than the two-year period.</p> <p>23 Assuming we could get our financing in place</p>	<p>1 application for Unit 2 because of needing to</p> <p>2 resolve, in our minds, the issues around the</p> <p>3 status of the construction permit on Unit 2</p> <p>4 being different and the date having been passed</p> <p>5 and the issue of the timely submittal to NRC.</p> <p>6 So there was a thought that we might separate</p> <p>7 the applications and take a little longer to</p> <p>8 develop the application for Unit 2 because of</p> <p>9 those construction permit status issues.</p> <p>10 Q. All right. And so as of February</p> <p>11 1st, 2017, you had not -- you were only</p> <p>12 beginning the gathering of the various</p> <p>13 categories of information that was needed for</p> <p>14 the construction transfer -- construction</p> <p>15 permit transfer application, correct?</p> <p>16 A. Yes.</p> <p>17 Q. And you believed that that was</p> <p>18 going to be completed, not only gathering but</p> <p>19 the entire application put together, by July,</p> <p>20 correct?</p> <p>21 A. Assuming that we -- yes, that's</p> <p>22 correct, assuming that we had everything else</p> <p>23 in place to begin mobilization and begin moving</p>

William McCollum**11/13/2019**

Pages 169 to 172

<p style="text-align: right;">Page 169</p> <p>1 forward with the engineering and work on the</p> <p>2 project.</p> <p>3 Q. What does that have to do with the</p> <p>4 construction permit transfer application?</p> <p>5 A. Well, because, as I talked about</p> <p>6 earlier, getting together all of the technical</p> <p>7 support and the contractor resources that you</p> <p>8 need to move the project forward is part of the</p> <p>9 information that you submit on technical</p> <p>10 capabilities for the application.</p> <p>11 Q. Why did you miss your estimate so</p> <p>12 badly?</p> <p>13 MR. O'REAR: Objection.</p> <p>14 Argumentative.</p> <p>15 A. Well, the entire schedule changed</p> <p>16 and moved out as we worked through -- tried to</p> <p>17 work through the process of securing financing</p> <p>18 for the project.</p> <p>19 Q. (BY MR. LEMBKE:) And so your</p> <p>20 preparation of the information or gathering of</p> <p>21 the information that you needed for the</p> <p>22 construction permit application was affected by</p> <p>23 the effort to obtain financing?</p>	<p style="text-align: right;">Page 171</p> <p>1 sure I understand how they are linked.</p> <p>2 A. Again, all of the activities in</p> <p>3 the schedule are linked in terms of the timing</p> <p>4 of when you gather and expend money on</p> <p>5 resources to prosecute the project.</p> <p>6 Q. And so is it fair to say that</p> <p>7 Nuclear Development decided not to spend the</p> <p>8 money in the first half of 2017 to gather the</p> <p>9 information and resources needed to complete</p> <p>10 the construction permit transfer application?</p> <p>11 A. I think that it's fair to say that</p> <p>12 we decided to manage the spending on the</p> <p>13 project appropriately given when we thought the</p> <p>14 major construction work on the project could</p> <p>15 begin and when we might actually take control</p> <p>16 of the property.</p> <p>17 Q. Well, I'm not sure that was my</p> <p>18 question -- or that was an answer to my</p> <p>19 question.</p> <p>20 My question was, did Nuclear</p> <p>21 Development make the decision not to expend the</p> <p>22 resources in the first half of 2017 that would</p> <p>23 have been required to meet the schedule you</p>
<p style="text-align: right;">Page 170</p> <p>1 A. Well, it was affected by the</p> <p>2 realization that we would not try to begin</p> <p>3 active engineering and completion activities as</p> <p>4 early as we had thought in this schedule. And</p> <p>5 so -- so if you are not going to begin all of</p> <p>6 that work, you don't put the resources in place</p> <p>7 and spend the money as if you were beginning</p> <p>8 the work earlier, because that is just spending</p> <p>9 money before you need to.</p> <p>10 Q. And why was that engineering work</p> <p>11 not going to be done as soon as was reflected</p> <p>12 in this schedule?</p> <p>13 A. We weren't going to have the</p> <p>14 financing in place.</p> <p>15 Q. Okay. And did -- when did that</p> <p>16 work with regard to the engineering actually</p> <p>17 begin?</p> <p>18 A. The work reflected on this</p> <p>19 schedule, activities two, three and four, have</p> <p>20 not yet begun.</p> <p>21 Q. Well, then, if they haven't yet</p> <p>22 begun and the construction permit transfer</p> <p>23 application was submitted in November, I'm not</p>	<p style="text-align: right;">Page 172</p> <p>1 proposed here to submit the construction permit</p> <p>2 transfer application?</p> <p>3 A. We -- we did decide not to expend</p> <p>4 the money on that and the other activities when</p> <p>5 we realized that the beginning dates on this</p> <p>6 schedule would not be met.</p> <p>7 Q. All right. When -- when did</p> <p>8 Nuclear Development decide that it was time to</p> <p>9 start spending the money needed to put together</p> <p>10 the construction permit transfer application?</p> <p>11 A. As I indicated before, I was</p> <p>12 working along to gather and put together</p> <p>13 information all along during the time frame</p> <p>14 between the early part of 2017 and the time</p> <p>15 that we submitted the transfer application,</p> <p>16 just at a slower pace than would have been</p> <p>17 necessary if we were moving on the schedule</p> <p>18 indicated here.</p> <p>19 Q. All right. Well -- but setting</p> <p>20 your involvement aside, when did Nuclear</p> <p>21 Development decide to spend the funds that it</p> <p>22 was not willing to spend in August -- or in the</p> <p>23 first half of 2017 that were needed to get the</p>

William McCollum**11/13/2019**

Pages 173 to 176

Page 173	Page 175
<p>1 information put together for the construction</p> <p>2 permit transfer application?</p> <p>3 MR. O'REAR: Objection, asked and</p> <p>4 answered.</p> <p>5 Q. (BY MR. LEMBKE:) You can answer.</p> <p>6 A. We -- we spent the money to</p> <p>7 develop the information and submit the transfer</p> <p>8 application all during the time frame between</p> <p>9 early 2017 and when we submitted the</p> <p>10 application. We just didn't spend the money on</p> <p>11 the accelerated basis that we would have needed</p> <p>12 to had we been working on a -- start of</p> <p>13 construction indicated here.</p> <p>14 Q. Well, you were given -- were you</p> <p>15 given some sort of budget or indication of how</p> <p>16 fast you should spend that money needed to</p> <p>17 obtain the information to complete the</p> <p>18 construction permit transfer application, given</p> <p>19 some instruction on that by someone at Nuclear</p> <p>20 Development?</p> <p>21 A. No, as -- no. The answer is no.</p> <p>22 As this schedule indicates, it was always the</p> <p>23 intention and I conveyed to Victor in this</p>	<p>1 this indicates is that you would finish the</p> <p>2 transfer of the Bellefonte site in December</p> <p>3 2017, correct?</p> <p>4 A. Uh-huh.</p> <p>5 Q. Is that a yes?</p> <p>6 A. Sorry, that is a yes.</p> <p>7 Q. And it also indicates that you</p> <p>8 would submit the application in July -- the</p> <p>9 construction permit transfer application in</p> <p>10 July of 2017, right?</p> <p>11 A. Okay. So -- so let's take a look</p> <p>12 at the document. Activity one is --</p> <p>13 Q. That was a yes or no question.</p> <p>14 MR. O'REAR: Now you are being</p> <p>15 argumentative now. It's not a yes or no.</p> <p>16 MR. LEMBKE: Yes, it is a yes or</p> <p>17 no question. Isn't that what it says?</p> <p>18 MR. O'REAR: He doesn't have to</p> <p>19 answer yes or no when he needs to explain an</p> <p>20 answer.</p> <p>21 MR. LEMBKE: Well, Mr. McCollum is</p> <p>22 doing a good job of answering questions I</p> <p>23 didn't ask today.</p>
Page 174	Page 176
<p>1 letter our intention to submit an application</p> <p>2 for transfer of the construction permits</p> <p>3 roughly at the time frame that we gained</p> <p>4 control of the property at Bellefonte. And so</p> <p>5 we just worked along to that schedule as the</p> <p>6 schedule evolved.</p> <p>7 Q. Well, when did you tell Mr. McCree</p> <p>8 that, that you intended to submit an</p> <p>9 application roughly at the time you obtained</p> <p>10 ownership of the site at Bellefonte?</p> <p>11 A. At the time of the meeting on the</p> <p>12 23rd, I told Victor McCree that we would give</p> <p>13 them -- that we intended to submit an</p> <p>14 application and follow on with work on the</p> <p>15 operating license application. And we</p> <p>16 committed to -- I committed, excuse me, to</p> <p>17 provide more information. And that's what I</p> <p>18 did with this document that shows transfer of</p> <p>19 the Bellefonte property and beginning</p> <p>20 mobilization July 2017 and transfer</p> <p>21 construction permit and obtain operating</p> <p>22 license activity beginning July 2017.</p> <p>23 Q. Well, in fact, Mr. McCollum, what</p>	<p>1 MR. O'REAR: Objection --</p> <p>2 Q. (BY MR. LEMBKE:) So how about</p> <p>3 answering my question, Mr. McCollum?</p> <p>4 MR. O'REAR: It's argumentative.</p> <p>5 Move to strike. That was unnecessary.</p> <p>6 A. I'm sorry, what was the question?</p> <p>7 Q. (BY MR. LEMBKE:) The question is,</p> <p>8 am I correct that item one shows that the</p> <p>9 transfer of the ownership of the Bellefonte</p> <p>10 site was expected to be completed December</p> <p>11 2017?</p> <p>12 MR. O'REAR: Objection. Asked and</p> <p>13 answered.</p> <p>14 A. No, that's not correct.</p> <p>15 Q. (BY MR. LEMBKE:) All right.</p> <p>16 Well, what does activity one indicate?</p> <p>17 A. So, activity one is transfer of</p> <p>18 the property and begin mobilization of the</p> <p>19 resources on site. So my intent of this item</p> <p>20 when I wrote it is that the transfer of the</p> <p>21 property at Bellefonte would occur July 2017</p> <p>22 and the mobilization activity for Units 1 and 2</p> <p>23 would be completed in December 2017.</p>

William McCollum**11/13/2019**

Pages 177 to 180

Page 177	Page 179
<p>1 Q. So your testimony is you believed</p> <p>2 in February of 2017 that the closing would</p> <p>3 occur in July of 2017?</p> <p>4 A. That's what we were hoping to</p> <p>5 achieve by accelerating the closing, getting</p> <p>6 financing in place.</p> <p>7 Q. All right. Have you ever seen any</p> <p>8 document where that -- other than this, where</p> <p>9 that closing date was ever discussed with --</p> <p>10 well, strike that.</p> <p>11 Was that closing date ever</p> <p>12 discussed with TVA, July of 2017?</p> <p>13 A. I don't have any knowledge of</p> <p>14 that.</p> <p>15 Q. All right. When you had your</p> <p>16 conversation with Mr. McCree in January of</p> <p>17 2023, did you expressly discuss a linkage</p> <p>18 between when the construction permit transfer</p> <p>19 application would be submitted and when the</p> <p>20 closing would occur on the sale of the site?</p> <p>21 A. You said 2023. I think you --</p> <p>22 Q. Excuse me, I meant 2017.</p> <p>23 A. No.</p>	<p>1 of February 1st, 2017 that active construction</p> <p>2 would be ready to begin with all necessary</p> <p>3 approvals in January 2018, less than a year</p> <p>4 later?</p> <p>5 A. Yes.</p> <p>6 Q. Did you ever inform NRC that these</p> <p>7 dates had changed?</p> <p>8 A. Yes.</p> <p>9 Q. When?</p> <p>10 A. Various times in various</p> <p>11 conversations with NRC project management after</p> <p>12 this 2/1/2017 email.</p> <p>13 Q. All right. Well, when was the</p> <p>14 first one you were -- was it all verbal?</p> <p>15 MR. O'REAR: You mean oral or</p> <p>16 written? Verbal would be either.</p> <p>17 MR. LEMBKE: Verbal. Verbal is</p> <p>18 written?</p> <p>19 MR. O'REAR: Verbal is written and</p> <p>20 oral. So -- but go ahead, it's your question.</p> <p>21 A. So mostly -- mostly telephone</p> <p>22 conversations with NRC project managers. But I</p> <p>23 believe, to the best of my recollection, that I</p>
Page 178	Page 180
<p>1 Q. I meant January 23rd. You did</p> <p>2 not.</p> <p>3 A. I did not expressly discuss</p> <p>4 linkage between those two.</p> <p>5 Q. Okay. Now, am I reading this</p> <p>6 correctly that you believe that construction of</p> <p>7 Unit 1 would have been complete in January of</p> <p>8 2022?</p> <p>9 A. Which item are we referring to?</p> <p>10 Q. Eleven.</p> <p>11 A. Yes, active construction, meaning</p> <p>12 the refurbishment, replacement of components in</p> <p>13 the plant.</p> <p>14 Q. And you believed that it was</p> <p>15 realistic as of February 1st, 2017 that active</p> <p>16 construction would be approved and ready to</p> <p>17 begin in Unit 1 in January of 2018, less than a</p> <p>18 year later?</p> <p>19 MR. O'REAR: Objection. You said</p> <p>20 active construction would be complete and then</p> <p>21 ready to begin. I don't understand that.</p> <p>22 MR. LEMBKE: Let me rephrase it.</p> <p>23 Q. (BY MR. LEMBKE:) You believed as</p>	<p>1 also submitted a written update to this later.</p> <p>2 I don't recall the exact date.</p> <p>3 Q. (BY MR. LEMBKE:) Well --</p> <p>4 A. But as I said, mostly the updates</p> <p>5 I gave them were telephone conversations</p> <p>6 between me and the NRC project managers.</p> <p>7 Q. Are you certain you gave them a</p> <p>8 written update?</p> <p>9 A. I'm not certain on that.</p> <p>10 Q. All right. And do you recall</p> <p>11 having a conversation with anyone at the NRC</p> <p>12 after submission of this as to how the expected</p> <p>13 date for submission of the construction permit</p> <p>14 transfer application was going to change?</p> <p>15 A. Well, yes, I mean, that was part</p> <p>16 of the verbal updates that I gave project</p> <p>17 managers was that we were -- we were working on</p> <p>18 and would have at some point an application for</p> <p>19 transfer of the construction permits.</p> <p>20 Q. Well, did you tell them when they</p> <p>21 would -- the application would be coming?</p> <p>22 A. Not until roughly summer of 2018.</p> <p>23 Q. And what did you tell them then?</p>

William McCollum**11/13/2019**

Pages 181 to 184

Page 181	Page 183
<p>1 A. That we hoped to submit within a</p> <p>2 few months.</p> <p>3 Q. And who did you tell that to?</p> <p>4 A. Billy Gleaves.</p> <p>5 Q. At any point did you -- at any</p> <p>6 point did anyone at the NRC tell you it would</p> <p>7 be okay for Nuclear Development to obtain</p> <p>8 ownership of the property prior to approval of</p> <p>9 the transfer of the construction permits?</p> <p>10 A. No. I consistently told -- in my</p> <p>11 communications with the project managers told</p> <p>12 them that we would submit the application for</p> <p>13 the construction project on or a little before</p> <p>14 the closing on the property. And there was --</p> <p>15 there was no discussion where they specifically</p> <p>16 stated that was okay or was not okay.</p> <p>17 Q. And with whom did you have those</p> <p>18 conversations where you linked the submission</p> <p>19 of the construction permit transfer application</p> <p>20 to closing on the property?</p> <p>21 A. So I didn't -- I didn't link in a</p> <p>22 regulatory fashion. I simply said this is when</p> <p>23 the closing date is and we would intend to send</p>	<p>1 experience in the industry, you believed every</p> <p>2 date on here was a realistic date?</p> <p>3 A. I believed this was an aggressive</p> <p>4 schedule that could be met.</p> <p>5 Q. I am going to show you what I am</p> <p>6 going to mark as Exhibit 78.</p> <p>7 (Exhibit Number 78 was marked for</p> <p>8 identification.)</p> <p>9 A. (Reviewing document.)</p> <p>10 Q. This is an email to you from Frank</p> <p>11 Akstulewicz at the NRC from February 6, 2017,</p> <p>12 correct?</p> <p>13 A. Correct.</p> <p>14 Q. And did you know Mr. Akstulewicz</p> <p>15 prior to receiving this email?</p> <p>16 A. I did not.</p> <p>17 Q. And in it he says: I believe that</p> <p>18 we could benefit from a phone call to exchange</p> <p>19 contact information and to learn more about how</p> <p>20 your project is structured, if all your project</p> <p>21 organization is settled and ready to interface</p> <p>22 with NRC, how and when we implement our fee</p> <p>23 billing procedures, and when might be a good</p>
Page 182	Page 184
<p>1 the application in on or shortly before that</p> <p>2 time. And those were conversations with Billy</p> <p>3 Gleaves at NRC.</p> <p>4 Q. When?</p> <p>5 A. Huh?</p> <p>6 Q. When?</p> <p>7 A. During the summer of 2019 --</p> <p>8 excuse me, 2018.</p> <p>9 Q. Did you also tell him, though,</p> <p>10 that you had asked for an extension of the</p> <p>11 closing date?</p> <p>12 A. Did not.</p> <p>13 Q. You never told anyone at the NRC</p> <p>14 that?</p> <p>15 A. Not that I'm aware of.</p> <p>16 Q. Sure of that?</p> <p>17 A. I don't remember having that</p> <p>18 conversation with anyone with NRC.</p> <p>19 Q. What about at a public meeting,</p> <p>20 did you ever say that there?</p> <p>21 A. I don't recall.</p> <p>22 Q. So when you submitted this</p> <p>23 schedule in February of 2017, based on your</p>	<p>1 time for a working group meeting so that our</p> <p>2 project managers and your staff can meet face</p> <p>3 to face to discuss the project timelines.</p> <p>4 Do you see that?</p> <p>5 A. I do.</p> <p>6 Q. And did you have a phone call with</p> <p>7 Mr. Akstulewicz after receiving this email?</p> <p>8 A. Yes.</p> <p>9 Q. Tell me what you remember about</p> <p>10 that phone call.</p> <p>11 A. I called Frank, introduced myself,</p> <p>12 and we exchanged email and telephone number</p> <p>13 information. He talked to me about the NRC</p> <p>14 organizational changes, there would be some</p> <p>15 other people coming on board in their</p> <p>16 organization, new reactor licensing, and that</p> <p>17 he was interested in learning more about the</p> <p>18 Bellefonte project. I explained to him</p> <p>19 generally that we were working toward</p> <p>20 finalizing the financing and at some point</p> <p>21 closing on the property and that as the -- as</p> <p>22 things moved forward and the schedules firmed</p> <p>23 up, I would get him more information. So it</p>

William McCollum**11/13/2019**

Pages 185 to 188

Page 185	Page 187
<p>1 was a very -- it was a very general phone call</p> <p>2 about the project.</p> <p>3 Q. Do you recall discussing the</p> <p>4 application for transfer of the construction</p> <p>5 permits during that call?</p> <p>6 A. I do not.</p> <p>7 Q. And in this email he also refers</p> <p>8 to a potential working group meeting between</p> <p>9 NRC project managers and Nuclear Development</p> <p>10 staff to discuss project timelines. Was there</p> <p>11 ever such a working group meeting?</p> <p>12 A. No.</p> <p>13 Q. Why not?</p> <p>14 A. I just didn't feel that it was</p> <p>15 necessary given where we were with the project</p> <p>16 at that time. Given that I was the management</p> <p>17 point of contact and the licensing point of</p> <p>18 contact, I didn't -- I didn't feel that we</p> <p>19 needed a working group meeting.</p> <p>20 Q. Did you tell him that during that</p> <p>21 phone call?</p> <p>22 A. I did tell him that I was the</p> <p>23 management point of contact and the licensing</p>	<p>1 that?</p> <p>2 A. Yes.</p> <p>3 Q. And in it Mr. Akstulewicz says</p> <p>4 that Vonna Ordaz would like to set up a phone</p> <p>5 call with Nuclear Development folks relating to</p> <p>6 activities ongoing with respect to license</p> <p>7 transfer and future construction and licensing;</p> <p>8 do you see that?</p> <p>9 A. I do.</p> <p>10 Q. All right. Was such a phone call</p> <p>11 held with Ms. Ordaz?</p> <p>12 A. Yes, with Ms. Ordaz and Frank</p> <p>13 Akstulewicz.</p> <p>14 Q. All right. What do you remember</p> <p>15 about that?</p> <p>16 A. Ms. Ordaz had just been -- just</p> <p>17 recently been named in the position, was</p> <p>18 interested in having an introductory phone call</p> <p>19 and doing introductions with me and also just</p> <p>20 talking about a general where are you guys with</p> <p>21 the project and that sort of thing.</p> <p>22 Q. What do you recall being discussed</p> <p>23 during that phone call about submission of an</p>
Page 186	Page 188
<p>1 point of contact for him.</p> <p>2 Q. Let me show you what I am going to</p> <p>3 mark as Exhibit 79.</p> <p>4 (Exhibit Number 79 was marked for</p> <p>5 identification.)</p> <p>6 A. (Reviewing document.)</p> <p>7 Q. If you look at the bottom of 79 --</p> <p>8 excuse me, on the second page of Exhibit 79, it</p> <p>9 seems to begin with an email to you from Gary</p> <p>10 Peters of AREVA, correct?</p> <p>11 A. I don't see that.</p> <p>12 Q. On the bottom -- on the second</p> <p>13 page, it says on February 20th, 2017 at 3:20,</p> <p>14 Gary Peters wrote; and it says, Bill, can you</p> <p>15 please contact Frank Akstulewicz?</p> <p>16 Do you see that?</p> <p>17 A. Yes.</p> <p>18 Q. And that's you, right?</p> <p>19 A. Yes, it appears so.</p> <p>20 Q. All right. And then if you look</p> <p>21 at the bottom of the first page, there is an</p> <p>22 email from Mr. Akstulewicz to Frank Haney that</p> <p>23 you are copied on dated April 18th; do you see</p>	<p>1 application for transfer of the construction</p> <p>2 permits?</p> <p>3 A. That we were getting together the</p> <p>4 project, project resources, and that we would</p> <p>5 at some point submit an application for</p> <p>6 transfer of the construction permits.</p> <p>7 Q. Nothing more specific about a</p> <p>8 timeline for that?</p> <p>9 A. Not that I recall.</p> <p>10 Q. Okay. Now, just above -- well,</p> <p>11 sort of in the middle of the first page of</p> <p>12 Exhibit 79 is a -- an email from you to Mr.</p> <p>13 Akstulewicz in which you tell him your position</p> <p>14 at Nuclear Development is vice president</p> <p>15 nuclear operations?</p> <p>16 A. Yes.</p> <p>17 Q. So my question is, when did you</p> <p>18 become CEO if you were the vice president of</p> <p>19 nuclear operations in April of 2017?</p> <p>20 A. It was -- it was later, but I</p> <p>21 don't know the exact date. My recollection is</p> <p>22 it was sometime in 2018.</p> <p>23 Q. What were the circumstances that</p>

William McCollum**11/13/2019**

Pages 189 to 192

<p style="text-align: right;">Page 189</p> <p>1 led to the change in position?</p> <p>2 A. Basically that we were -- we were</p> <p>3 moving forward with more discussions with NRC</p> <p>4 and other stakeholders and it was time to --</p> <p>5 time to make a change to the title structure.</p> <p>6 Q. Was there any substantive change</p> <p>7 in what you were doing for Nuclear Development</p> <p>8 when you changed titles?</p> <p>9 A. The only significant change was</p> <p>10 that I took a stronger role in the work that we</p> <p>11 were doing with Memphis as a potential customer</p> <p>12 for the power from Bellefonte.</p> <p>13 Q. And what do you mean by a stronger</p> <p>14 role?</p> <p>15 A. I basically in that time assumed</p> <p>16 the lead for meeting with people in Memphis and</p> <p>17 discussing the Bellefonte project, trying to</p> <p>18 educate stakeholders in Memphis about the</p> <p>19 project and the potential benefits for Memphis.</p> <p>20 Q. The top of the first page of</p> <p>21 Exhibit 79 is an email to you from Mr.</p> <p>22 Akstulewicz on June 7th, 2017; do you see that?</p> <p>23 A. I do.</p>	<p style="text-align: right;">Page 191</p> <p>1 and begin putting resources in place for</p> <p>2 construction completion.</p> <p>3 Q. So it sounds from that that you</p> <p>4 did not give him any definitive indication as</p> <p>5 to when the construction permit transfer</p> <p>6 application would be submitted; is that fair?</p> <p>7 A. Not to my recollection.</p> <p>8 Q. Okay.</p> <p>9 (Exhibit Number 80 was marked for</p> <p>10 identification.)</p> <p>11 Q. Let me show you what I am going to</p> <p>12 mark as Exhibit 80. And this is an email to</p> <p>13 you from Mr. Gleaves on September 14th, 2017,</p> <p>14 correct?</p> <p>15 A. Yes.</p> <p>16 Q. All right. In the first</p> <p>17 paragraph, he sent you a copy of the schedule</p> <p>18 that you had previously submitted that we</p> <p>19 looked at earlier, correct?</p> <p>20 A. (Reviewing document.) Yes.</p> <p>21 Q. And he says: I have attached the</p> <p>22 business model you have sent previously.</p> <p>23 Please mark it up to reflect your plans going</p>
<p style="text-align: right;">Page 190</p> <p>1 Q. And he is asking to -- for an</p> <p>2 update on the Bellefonte project from you in</p> <p>3 which he says he would like to hear about</p> <p>4 several topics including progress and</p> <p>5 developing the license transfer application and</p> <p>6 schedule; do you see that?</p> <p>7 A. I do.</p> <p>8 Q. And did you, in fact, have a call</p> <p>9 with him in that time frame about -- that</p> <p>10 included that topic?</p> <p>11 A. Yes.</p> <p>12 Q. And what do you recall being</p> <p>13 discussed with Mr. Akstulewicz then?</p> <p>14 A. I told him that we had our</p> <p>15 application for loan guarantee in with the DOE</p> <p>16 Loan Program Office, that we had been through</p> <p>17 several rounds of information requests and</p> <p>18 discussions with DOE, and I felt that that</p> <p>19 process was moving along and that we would at</p> <p>20 some point develop and submit the license</p> <p>21 transfer application and that following the</p> <p>22 closing on the property, we would start to ramp</p> <p>23 up resources and begin to do final engineering</p>	<p style="text-align: right;">Page 192</p> <p>1 forward to ensure that NRC budgets</p> <p>2 appropriately to best support your plans.</p> <p>3 Do you see that? The end of the</p> <p>4 first paragraph?</p> <p>5 A. Yes.</p> <p>6 Q. All right. Did you mark it up and</p> <p>7 send it back to him?</p> <p>8 A. I believe that I did.</p> <p>9 Q. All right. Well, did you keep a</p> <p>10 copy of that?</p> <p>11 A. I should have.</p> <p>12 Q. Because I will represent we don't</p> <p>13 believe Nuclear Development has produced that</p> <p>14 to us in this case. So are you sure you sent</p> <p>15 it to him?</p> <p>16 A. I'm not certain. I would have to</p> <p>17 go look.</p> <p>18 Q. All right. Do you recall in the</p> <p>19 fall of 2017 what you were projecting as the</p> <p>20 timetable for submission of the construction</p> <p>21 permit transfer application?</p> <p>22 A. I do not.</p> <p>23 Q. In the second paragraph, he</p>

William McCollum**11/13/2019**

Pages 193 to 196

Page 193	Page 195
<p>1 suggested after you marked up the business</p> <p>2 model and returned it to him, We would then</p> <p>3 appreciate a meeting either in person or by</p> <p>4 conference call to discuss and finalize our</p> <p>5 budget cycle plan; do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. And he goes on to say the goal is</p> <p>8 to hold that meeting before the end of</p> <p>9 September; do you see that?</p> <p>10 A. I see that.</p> <p>11 Q. Do you know if such a call</p> <p>12 occurred or a meeting?</p> <p>13 A. I believe it did. I believe we</p> <p>14 had a telephone call.</p> <p>15 Q. All right. And what do you recall</p> <p>16 being discussed in that call?</p> <p>17 A. That I gave them revised schedule</p> <p>18 information and that Ms. Dixon-Herrity was</p> <p>19 interested in ensuring that they adequately</p> <p>20 reflected in their future budget for year after</p> <p>21 next, because they were working two years</p> <p>22 ahead, adequately reflected the need for NRC</p> <p>23 resources to support Bellefonte.</p>	<p>1 Gleaves dated September 19th, 2017, correct?</p> <p>2 A. Correct.</p> <p>3 Q. And he was sending you an NRC</p> <p>4 publication entitled Procedures For Handling</p> <p>5 License Transfers, correct?</p> <p>6 A. Correct.</p> <p>7 Q. Did you read this document that he</p> <p>8 sent you when you received it?</p> <p>9 A. I did.</p> <p>10 Q. And after reading it, did you</p> <p>11 contact him or anyone else at NRC with any</p> <p>12 questions or concerns about it?</p> <p>13 A. Not to my recollection.</p> <p>14 Q. When you read it, do you recall</p> <p>15 learning anything new?</p> <p>16 A. Not to my recollection.</p> <p>17 Q. After you read it, do you recall</p> <p>18 having a discussion about anything in it with</p> <p>19 anyone associated with Nuclear Development?</p> <p>20 A. Yes.</p> <p>21 Q. All right. With whom did you have</p> <p>22 a conversation?</p> <p>23 A. Our licensing counsel.</p>
Page 194	Page 196
<p>1 Q. And do you recall what you told</p> <p>2 them during that call in terms of a schedule</p> <p>3 for submission of a construction permit</p> <p>4 transfer application?</p> <p>5 A. Again, I would have to look and</p> <p>6 refresh my memory on that.</p> <p>7 Q. By September of 2017, you</p> <p>8 certainly knew it would not be coming during</p> <p>9 calendar year 2017, correct?</p> <p>10 A. The application for transfer of</p> <p>11 the construction permit?</p> <p>12 Q. Yes, sir.</p> <p>13 A. Correct.</p> <p>14 Q. Okay. Do you recall any specific</p> <p>15 discussion of the construction permit transfer</p> <p>16 application during this call in late September</p> <p>17 2017?</p> <p>18 A. No.</p> <p>19 Q. All right. Now let me show you</p> <p>20 what I am going to mark as Exhibit 81.</p> <p>21 (Exhibit Number 81 was marked for</p> <p>22 identification.)</p> <p>23 Q. This is an email to you from Billy</p>	<p>1 Q. Tim Matthews?</p> <p>2 A. Yes.</p> <p>3 Q. And was there a particular</p> <p>4 provision in this document that you discussed</p> <p>5 with Mr. Matthews?</p> <p>6 MR. O'REAR: Objection. Instruct</p> <p>7 the witness not to answer. It would be of</p> <p>8 content of attorney-client communications.</p> <p>9 Q. (BY MR. LEMBKE:) I am not asking</p> <p>10 you about the specifics of the -- only the</p> <p>11 general area of the policy statement, not the</p> <p>12 specific question he asked.</p> <p>13 MR. O'REAR: Well, you have asked</p> <p>14 him about a specific subject, and I am</p> <p>15 instructing him not to answer that question.</p> <p>16 Q. (BY MR. LEMBKE:) Are you going to</p> <p>17 follow that?</p> <p>18 A. Yes.</p> <p>19 MR. LEMBKE: Let me note for the</p> <p>20 record we are going to reserve the right to</p> <p>21 reopen this deposition based upon that</p> <p>22 instruction.</p> <p>23 Q. (BY MR. LEMBKE:) Now, if you</p>

William McCollum**11/13/2019**

Pages 197 to 200

Page 197	Page 199
<p>1 turn -- and I am going to go by the page</p> <p>2 numbers in the lower right-hand corner, the</p> <p>3 last four digits --</p> <p>4 A. Uh-huh.</p> <p>5 Q. -- page 3477.</p> <p>6 A. Yes.</p> <p>7 Q. And section one is entitled</p> <p>8 Policy, right?</p> <p>9 A. Yes.</p> <p>10 Q. And the first sentence of section</p> <p>11 one reads: The provisions of Section 184 of</p> <p>12 the Atomic Energy Act of 1954 as amended and</p> <p>13 the Nuclear Regulatory Commission's (NRC's)</p> <p>14 regulations at Title 10 of the Code of Federal</p> <p>15 Regulations (10 CFR) 50.80, quote, Transfer of</p> <p>16 licenses, end quote, stipulate that NRC</p> <p>17 approval is required for transfer of control of</p> <p>18 the ownership and/or operating authority</p> <p>19 responsibilities within the facility operating</p> <p>20 license.</p> <p>21 Do you see that?</p> <p>22 A. I do.</p> <p>23 Q. And when you read that, you did</p>	<p>1 the new license holder wants the staff to</p> <p>2 continue work on those licensing requests, the</p> <p>3 new license holder must submit a letter on the</p> <p>4 docket on the date of issuance of the</p> <p>5 conforming amendment or shortly thereafter.</p> <p>6 The letter must state that the new licensee</p> <p>7 adopts and endorses all outstanding items of</p> <p>8 the docket including, but not limited to,</p> <p>9 requests for license amendments, exemptions,</p> <p>10 relief requests, et cetera. The letter needs</p> <p>11 to be submitted under oath or affirmation.</p> <p>12 Do you see that?</p> <p>13 A. I do.</p> <p>14 Q. Did Nuclear Development adopt and</p> <p>15 endorse any licensing requests made by TVA in</p> <p>16 connection with Bellefonte Unit 1 or Unit 2 at</p> <p>17 the time that it submitted its application for</p> <p>18 transfer of the construction permits?</p> <p>19 A. We did not.</p> <p>20 Q. Did not?</p> <p>21 A. Did not.</p> <p>22 Q. Are you sure of that?</p> <p>23 A. That's my recollection.</p>
Page 198	Page 200
<p>1 not have any discussions about what that says</p> <p>2 with anyone at NRC, correct?</p> <p>3 A. Correct.</p> <p>4 Q. Do you know what a conforming</p> <p>5 amendment is?</p> <p>6 A. I do not.</p> <p>7 Q. All right. Let me get you to go</p> <p>8 to page 3488.</p> <p>9 A. (Reviewing document.) 3488?</p> <p>10 Q. Yes, sir.</p> <p>11 A. (Reviewing document.) Okay.</p> <p>12 Q. All right. The last paragraph on</p> <p>13 3488 says: Typically, there are licensing</p> <p>14 requests made by the previous licensing holder</p> <p>15 that are pending at the time that the</p> <p>16 conforming amendment is issued.</p> <p>17 Do you see that?</p> <p>18 A. I do.</p> <p>19 Q. And you don't understand what a</p> <p>20 conforming amendment is, am I right about that?</p> <p>21 A. I don't know -- I don't know that</p> <p>22 I understand all what that term implies, no.</p> <p>23 Q. Okay. And it goes on to say: If</p>	<p>1 Q. Okay. All right. Page 3497, at</p> <p>2 paragraph -- at number nine.</p> <p>3 A. (Reviewing document.) Yes.</p> <p>4 Q. Do you see where it asks the</p> <p>5 question: Did the licensee/applicant send a</p> <p>6 letter to the NRC to indicate the date the</p> <p>7 transaction would be consummated? Did I read</p> <p>8 that right?</p> <p>9 A. I see.</p> <p>10 Q. And then it says: The conforming</p> <p>11 amendment is to be issued on that day, not</p> <p>12 before, and not after; do you see that?</p> <p>13 A. I do.</p> <p>14 Q. And you did not know what that</p> <p>15 meant when you read it, is that right?</p> <p>16 A. That's correct.</p> <p>17 Q. But you didn't ask anyone any</p> <p>18 questions about what that meant, correct?</p> <p>19 A. Not specifically about this item,</p> <p>20 no.</p> <p>21 Q. Okay. If you look then on the</p> <p>22 next page, the first full paragraph at the top</p> <p>23 of the page seven --</p>

William McCollum**11/13/2019**

Pages 201 to 204

Page 201	Page 203
<p>1 A. Uh-huh.</p> <p>2 Q. -- do you see where it says: The</p> <p>3 conforming amendment, the amended or new</p> <p>4 indemnity agreement, the amended ISFSI license,</p> <p>5 if applicable, and biweekly notice of issuance</p> <p>6 are issued on the day the license transfer</p> <p>7 transaction is consummated and after receipt of</p> <p>8 notification from the licensee confirming the</p> <p>9 transaction. This is necessary because if it</p> <p>10 is issued before, the new licensee name may</p> <p>11 invalidate the operating license for the</p> <p>12 current and existing licensee; and if it is</p> <p>13 issued afterwards, the new licensee would have</p> <p>14 no authorization to operate under the old</p> <p>15 license.</p> <p>16 Do you see that?</p> <p>17 A. I do.</p> <p>18 Q. And when you read that, you didn't</p> <p>19 fully understand what that meant either,</p> <p>20 correct?</p> <p>21 A. Well, as I have -- as I've said, I</p> <p>22 don't -- I'm not certain that I know all that</p> <p>23 is implied by the term conforming amendment.</p>	<p>1 Q. (BY MR. LEMBKE:) Where was the</p> <p>2 August 2018 public meeting? Was that in</p> <p>3 Washington, was it Maryland, or was it in</p> <p>4 Alabama?</p> <p>5 A. If it is the one I am recalling,</p> <p>6 it was at the NRC office in Bethesda, Maryland.</p> <p>7 Q. Okay.</p> <p>8 (Whereupon, Exhibit Number 10,</p> <p>9 having been previously marked for</p> <p>10 identification, was referenced in</p> <p>11 this deposition.)</p> <p>12 Q. Let me show you what has been</p> <p>13 previously marked as Exhibit 10. Have you ever</p> <p>14 seen this document before?</p> <p>15 A. (Reviewing document.) Yes.</p> <p>16 Q. Okay. Now, at the bottom of page</p> <p>17 one of Exhibit 10, this is an email reporting</p> <p>18 on the NRC public meeting from Mr. Bell of NEI;</p> <p>19 do you see that?</p> <p>20 A. Yes.</p> <p>21 Q. And it says here -- let me ask, he</p> <p>22 said that you described Unit 1 at the public</p> <p>23 meeting as at ninety percent complete and Unit</p>
Page 202	Page 204
<p>1 But in reading this paragraph, it appears to me</p> <p>2 that it relates to an operating license which</p> <p>3 we don't have.</p> <p>4 Q. All right.</p> <p>5 A. And TVA doesn't have.</p> <p>6 Q. And you just assumed that the</p> <p>7 application of the conforming amendment to --</p> <p>8 that this would have no application outside the</p> <p>9 operating license context, that was your</p> <p>10 assumption?</p> <p>11 A. I don't know that I made an</p> <p>12 assumption about this. I relied on licensing</p> <p>13 counsel.</p> <p>14 Q. And you don't know one way or the</p> <p>15 other whether the -- whether this concept has</p> <p>16 any application to transfer a construction</p> <p>17 permit or not; is that fair?</p> <p>18 A. Yeah, I don't -- I don't have a</p> <p>19 legal opinion on that.</p> <p>20 Q. Okay. Now, do you recall making a</p> <p>21 presentation at a public meeting in Alabama</p> <p>22 with NRC staff in August 2018?</p> <p>23 MR. O'REAR: In Alabama?</p>	<p>1 2 as substantially complete; do you see that?</p> <p>2 A. I see that.</p> <p>3 Q. Do you recall saying that at the</p> <p>4 meeting?</p> <p>5 A. No, that's not what I said.</p> <p>6 Q. What did you say?</p> <p>7 A. What I said was that at a point in</p> <p>8 time previously when Unit 1 and 2 were under</p> <p>9 construction at TVA, they reached a point where</p> <p>10 Unit 1 was ninety percent complete and Unit 2</p> <p>11 was substantially complete.</p> <p>12 Q. Okay.</p> <p>13 (Whereupon, Exhibit Number 60,</p> <p>14 having been previously marked for</p> <p>15 identification, was referenced in</p> <p>16 this deposition.)</p> <p>17 Q. Let me show you what has been</p> <p>18 previously marked as Exhibit 60, and that will</p> <p>19 be in your pile, Mr. McCollum.</p> <p>20 A. (Reviewing document.)</p> <p>21 Q. You have seen this document</p> <p>22 before, right?</p> <p>23 A. Yes.</p>

William McCollum**11/13/2019**

Pages 205 to 208

Page 205	Page 207
<p>1 Q. In fact, you looked at it</p> <p>2 yesterday, didn't you?</p> <p>3 A. I don't recall.</p> <p>4 Q. All right. Again, I am going to</p> <p>5 refer to pages -- why don't you just take a</p> <p>6 moment, if you need to, to refresh yourself</p> <p>7 with the chain of emails that begins at 7577</p> <p>8 and then works backward in terms of chronology;</p> <p>9 do you understand what I'm saying?</p> <p>10 A. Yes.</p> <p>11 MR. O'REAR: We adopt the same</p> <p>12 objection and reservation I made yesterday on</p> <p>13 the record with respect to the questions about</p> <p>14 Exhibit 60. Would be a continuing objection</p> <p>15 and reservation for the following questions, if</p> <p>16 any, regarding Exhibit 60.</p> <p>17 MR. LEMBKE: I acknowledge it, but</p> <p>18 as we stated yesterday, any claim of privilege</p> <p>19 was plainly waived when Ms. Gilman provided</p> <p>20 this chain of emails to Mr. Chardos more than a</p> <p>21 year ago.</p> <p>22 A. (Reviewing document.)</p> <p>23 MR. O'REAR: Is there a pending</p>	<p>1 Q. At the end of that email, Mr.</p> <p>2 Matthews says: Following the meeting, a few of</p> <p>3 the NRC staffers stopped to thank us for the</p> <p>4 visit and offer suggestions related to our</p> <p>5 treatment of QA, decommissioning funding</p> <p>6 assurance, and several deferred responses to</p> <p>7 NRC information demands (for example, Fukushima</p> <p>8 modifications) that will need to be addressed</p> <p>9 going forward.</p> <p>10 Do you see that?</p> <p>11 A. I do.</p> <p>12 Q. What do you recall NRC staffers</p> <p>13 talking about treatment of QA?</p> <p>14 A. The only thing I recall -- the</p> <p>15 only thing I recall there was that to the</p> <p>16 extent that -- the extent that we could ensure</p> <p>17 that our treatment of the QA program preserved</p> <p>18 the work that had been ongoing to maintain the</p> <p>19 Bellefonte site, that would be a good idea.</p> <p>20 Q. And what did you say in response</p> <p>21 to that, if any?</p> <p>22 A. I don't recall any response other</p> <p>23 than thanking them for their comment.</p>
Page 206	Page 208
<p>1 question?</p> <p>2 MR. LEMBKE: I was giving him an</p> <p>3 opportunity to review the chain of emails. If</p> <p>4 he's ready --</p> <p>5 MR. O'REAR: Which pages were you</p> <p>6 directing him to?</p> <p>7 MR. LEMBKE: I told him to begin</p> <p>8 with the email at 7577 and then work backwards,</p> <p>9 moving toward the front of the document.</p> <p>10 MR. BLUST: Toward the front of</p> <p>11 the document.</p> <p>12 MR. LEMBKE: Which is the -- they</p> <p>13 are in reverse chronological order in the</p> <p>14 document.</p> <p>15 MR. O'REAR: Yeah.</p> <p>16 Q. (BY MR. LEMBKE:) All right. Mr.</p> <p>17 McCollum, if you look at page 7577, first you</p> <p>18 see there was a report from Mr. Matthews on</p> <p>19 August 14th about what had occurred at the</p> <p>20 meeting, correct?</p> <p>21 A. Yes.</p> <p>22 Q. The NRC public meeting?</p> <p>23 A. Yes.</p>	<p>1 Q. All right. Then you see shortly</p> <p>2 after Mr. Matthews sent this letter, Frank</p> <p>3 Haney responded with the statement: Sounds</p> <p>4 awesome. So when will they sign off, question</p> <p>5 mark. Next steps, question mark.</p> <p>6 Do you see that?</p> <p>7 A. I do.</p> <p>8 Q. Prior to this, had you told Mr.</p> <p>9 Haney, Frank Haney, what the process would be</p> <p>10 for approval by the NRC of the various steps</p> <p>11 that would be required to get from where you</p> <p>12 were then to an operating license?</p> <p>13 A. An operating license? Yes.</p> <p>14 Q. And had you told them how long it</p> <p>15 would likely take for the NRC to consider the</p> <p>16 approval of transfer of the construction</p> <p>17 permits?</p> <p>18 A. Yes.</p> <p>19 Q. Did it surprise you that he asked</p> <p>20 the question when will they sign off?</p> <p>21 A. It didn't surprise me that he</p> <p>22 asked the question.</p> <p>23 Q. Okay. You then responded to that,</p>

William McCollum**11/13/2019**

Pages 209 to 212

Page 209	Page 211
<p>1 correct, the next day?</p> <p>2 A. Yes.</p> <p>3 Q. And you said Frank, the four of us</p> <p>4 should get together on a call and discuss the</p> <p>5 path forward so that we are clear on details,</p> <p>6 right?</p> <p>7 A. Yes.</p> <p>8 Q. Do you know if you got on such a</p> <p>9 call?</p> <p>10 A. Yes.</p> <p>11 Q. When did that call occur?</p> <p>12 A. Let's see. This was August 15th.</p> <p>13 It was -- it was within one or two days after</p> <p>14 the email.</p> <p>15 Q. Then you go on in this email to</p> <p>16 say: The next step is for us to submit a</p> <p>17 formal application for transfer of the CPs from</p> <p>18 TVA to ND. We need to get at least a minimum</p> <p>19 credible QA program in place and do a few other</p> <p>20 things.</p> <p>21 Do you see that?</p> <p>22 A. Yes.</p> <p>23 Q. Now -- so is it fair to say that</p>	<p>1 Once we submit a request to transfer the CPs,</p> <p>2 which we have not done yet, NRC will go through</p> <p>3 a months' long process of review involving many</p> <p>4 meetings with the staff and responding to</p> <p>5 questions from them before making a decision.</p> <p>6 Did I read that right?</p> <p>7 A. Yes.</p> <p>8 Q. All right. And then you say: NRC</p> <p>9 has been very clear since the first time we met</p> <p>10 with Vic McCree and his staff that this review</p> <p>11 and hopefully approval will not go quickly.</p> <p>12 Did I read that right?</p> <p>13 A. Yes.</p> <p>14 Q. I don't think there is any reason</p> <p>15 to believe we won't be successful in getting</p> <p>16 approval, but it won't happen without going</p> <p>17 through the process, and that will take time.</p> <p>18 Do you see that?</p> <p>19 A. I do.</p> <p>20 Q. So is it fair to say you were</p> <p>21 emphasizing to Mr. Frank Haney that this</p> <p>22 process was going to take a period of months to</p> <p>23 complete?</p>
Page 210	Page 212
<p>1 as of the time you wrote that, you did not have</p> <p>2 your QA program ready to go?</p> <p>3 A. We -- ready to go in terms of</p> <p>4 implementation and full submittal is correct.</p> <p>5 Q. All right. So when you told me</p> <p>6 earlier that you thought it was around the</p> <p>7 first of August that the QA program was</p> <p>8 complete, does this now refresh your</p> <p>9 recollection that it wasn't complete at the</p> <p>10 first of August?</p> <p>11 A. Yes.</p> <p>12 Q. Okay. And having seen this, do</p> <p>13 you have now a different view of -- or</p> <p>14 recollection of when the QA program was</p> <p>15 complete?</p> <p>16 A. Not specifically, no.</p> <p>17 Q. All right. But it would have been</p> <p>18 a matter of weeks after this?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. Would it have been more</p> <p>21 than a month after this?</p> <p>22 A. Possibly.</p> <p>23 Q. Okay. Now, then you go on to say:</p>	<p>1 A. Yes. In fact, he had heard that</p> <p>2 at the meeting at Vic McCree's, so I was</p> <p>3 attempting to refresh his memory.</p> <p>4 Q. Okay. All right. Then Mr. Haney</p> <p>5 responded to you saying I think the only -- and</p> <p>6 I think it is supposed to be thing -- we lack</p> <p>7 is an owner QA program.</p> <p>8 Was that correct as of August</p> <p>9 15th, that the only thing that was lacked for</p> <p>10 submittal of the application for transfer of</p> <p>11 the construction permits was the owner QA</p> <p>12 program?</p> <p>13 A. No, it was not.</p> <p>14 Q. Okay. It goes on to say: SNC</p> <p>15 said they would formulate or we could use TVA's</p> <p>16 or Westinghouse said they could help or maybe</p> <p>17 Exelon would help. We just need to decide and</p> <p>18 move forward. Thoughts?</p> <p>19 That's what he said, right?</p> <p>20 A. Correct.</p> <p>21 Q. And then you responded on the same</p> <p>22 date, August 15th, and said, Frank, Marie is</p> <p>23 working on the SNC QA program; do you see that?</p>

William McCollum

11/13/2019

Pages 213 to 216

Page 213	Page 215
<p>1 A. Yes.</p> <p>2 Q. And that's Marie Gilman, right?</p> <p>3 A. That's correct.</p> <p>4 Q. We can only use Exelon's if they</p> <p>5 sign up, which they have not agreed to yet; do</p> <p>6 you see that?</p> <p>7 A. Yes.</p> <p>8 Q. And Exelon was the potential</p> <p>9 operator that had not yet committed to</p> <p>10 participate in the project, correct?</p> <p>11 A. Yes.</p> <p>12 Q. All right. And then you say: I</p> <p>13 agree we do need to move forward with the</p> <p>14 application ASAP.</p> <p>15 Now, when you said that to Mr.</p> <p>16 Haney, what did you have in mind as an ASAP</p> <p>17 time frame for submittal of the application?</p> <p>18 A. I didn't have a specific date in</p> <p>19 mind.</p> <p>20 Q. Okay. And then you go on to say:</p> <p>21 My only point to try to answer your question</p> <p>22 about NRC signing off was to say that once we</p> <p>23 submit the transfer request, approval from NRC</p>	<p>1 earlier note on transferring the CPs?</p> <p>2 A. I'm not certain. I think that I</p> <p>3 was referring to one of these earlier emails.</p> <p>4 Q. Okay. You then go on to say: My</p> <p>5 goal is to make sure Marie and the rest of us</p> <p>6 are aligned on what we need to do and how and</p> <p>7 also to identify if there are any things we</p> <p>8 need someone else to do for us; do you see</p> <p>9 that?</p> <p>10 A. Yes.</p> <p>11 Q. Had there been any previous</p> <p>12 efforts to make sure that Marie and the Morgan</p> <p>13 Lewis lawyers and you were aligned on what</p> <p>14 needed to be done?</p> <p>15 A. Yes.</p> <p>16 Q. But you felt like there needed to</p> <p>17 be further discussion about that, correct?</p> <p>18 A. Yes.</p> <p>19 Q. All right. Then you say: At the</p> <p>20 present time, Marie is confused by some of what</p> <p>21 she has heard, which is not surprising since</p> <p>22 she has been talking to Frank, me, and you guys</p> <p>23 separately.</p>
Page 214	Page 216
<p>1 will take months, not days or weeks. Right?</p> <p>2 A. Yes.</p> <p>3 Q. Okay. Then the next email in the</p> <p>4 chain is an email to you from Mr. Matthews</p> <p>5 saying: I have prepared a punch list of what I</p> <p>6 think are the decision steps and information we</p> <p>7 need before we can submit. Do you see that?</p> <p>8 A. I do.</p> <p>9 Q. And then he says: I have asked</p> <p>10 Steven to take a look at it. Once he has, I</p> <p>11 will forward for your review and comment before</p> <p>12 sending it on.</p> <p>13 Did I read that right?</p> <p>14 A. I believe so.</p> <p>15 Q. Okay. All right. Then your</p> <p>16 response to that was: Thanks. Once you have</p> <p>17 the punch list together, I would like for you,</p> <p>18 Steven, Marie Gilman and I to get together on a</p> <p>19 call and discuss the punch list and earlier</p> <p>20 note on transferring the CPs.</p> <p>21 Do you see that?</p> <p>22 A. I do.</p> <p>23 Q. What are you referring to with the</p>	<p>1 What did you understand Marie was</p> <p>2 confused about?</p> <p>3 A. The fact that Frank had an overly</p> <p>4 simplified view of what material we needed to</p> <p>5 submit with the application.</p> <p>6 Q. And what do you mean when you say</p> <p>7 Frank had an overly simplified view? Of what?</p> <p>8 A. Well, of the supporting technical</p> <p>9 and QA information for the application and that</p> <p>10 he tended to think that Marie could write up a</p> <p>11 couple of pages of information and we could</p> <p>12 throw it in the application and that would be</p> <p>13 that.</p> <p>14 Q. Had you tried to talk to Frank to</p> <p>15 explain to him that it wasn't that simple?</p> <p>16 A. Yes.</p> <p>17 Q. All right. And was it not</p> <p>18 registering?</p> <p>19 A. I can't speak to Frank --</p> <p>20 Q. What was your perception? Was he</p> <p>21 still taking the simplified view even after you</p> <p>22 had explained it?</p> <p>23 A. Well, we had a number of -- we had</p>

William McCollum**11/13/2019**

Pages 217 to 220

Page 217	Page 219
<p>1 a number of conversations around that issue.</p> <p>2 Q. And the simplified view persisted?</p> <p>3 A. For some period of time.</p> <p>4 Q. Now, in the next email, Mr.</p> <p>5 Matthews says: Attached is our draft of the</p> <p>6 punch list. We fully agree with your</p> <p>7 suggestion on coordination and are anxious to</p> <p>8 participate.</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. Then he says: If we could</p> <p>12 schedule a recurring alignment meeting, that</p> <p>13 would be helpful too.</p> <p>14 Do you see that?</p> <p>15 A. I do.</p> <p>16 Q. In fact, were there recurring</p> <p>17 alignment meetings after this?</p> <p>18 A. There were a series of telephone</p> <p>19 calls, yes.</p> <p>20 Q. Okay. Now, let's turn to page</p> <p>21 7581 in Exhibit 60.</p> <p>22 A. Yes.</p> <p>23 Q. And this is the punch list that</p>	<p>1 A. Uh-huh.</p> <p>2 Q. Is that a yes?</p> <p>3 A. I'm sorry, that's a yes.</p> <p>4 Q. And you were responsible for that,</p> <p>5 correct?</p> <p>6 A. Yes.</p> <p>7 Q. And as of August 16th, 2018, had</p> <p>8 you already gathered that information?</p> <p>9 A. Just a second. We had all of that</p> <p>10 information available, I just needed to confirm</p> <p>11 that the information I had was up to date</p> <p>12 before sending it to Morgan Lewis.</p> <p>13 Q. Was this the first time that</p> <p>14 anyone had put together a punch list for the</p> <p>15 application for transfer of the construction</p> <p>16 permits?</p> <p>17 A. In this form, yes.</p> <p>18 Q. Well, were there punch lists in</p> <p>19 other forms?</p> <p>20 A. We had discussions of people</p> <p>21 performing actions similar to some of the</p> <p>22 things that you see listed here, but it was not</p> <p>23 a punch list.</p>
Page 218	Page 220
<p>1 Mr. Matthews transmitted to you -- this and the</p> <p>2 succeeding pages in the exhibit is the punch</p> <p>3 list that he transmitted to you in August 2018,</p> <p>4 correct?</p> <p>5 A. Yes.</p> <p>6 Q. All right. And did you review it</p> <p>7 at the time?</p> <p>8 A. Yes.</p> <p>9 Q. All right. And did you agree that</p> <p>10 it captured the punch list items?</p> <p>11 A. Yes.</p> <p>12 Q. All right. And as far as you were</p> <p>13 concerned, were any of these punch list items</p> <p>14 complete as of August 16th, 2018?</p> <p>15 A. Yes, with the exception of giving</p> <p>16 the information to Morgan Lewis.</p> <p>17 Q. Okay. So none of -- none of</p> <p>18 what's on here had been transmitted yet to</p> <p>19 Morgan Lewis; is that fair?</p> <p>20 A. I believe that's correct.</p> <p>21 Q. Okay. All right. In Roman</p> <p>22 numeral I of the punch list, it talks about</p> <p>23 identification of the applicant.</p>	<p>1 Q. All right. Was it in any written</p> <p>2 form that you can recall?</p> <p>3 A. Not that I recall.</p> <p>4 Q. All right. Now, in I.C it said:</p> <p>5 Decide whether to remain with current structure</p> <p>6 or follow EXC's recent suggestion of creating</p> <p>7 ND OpCo to conduct activities on behalf of the</p> <p>8 owner. Both would be NRC licensees.</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. Had that decision been made as of</p> <p>12 August 16th, 2018?</p> <p>13 A. Yes.</p> <p>14 Q. And what was the decision, to</p> <p>15 stick with the current structure?</p> <p>16 A. Yes.</p> <p>17 Q. All right. Then Roman numeral II</p> <p>18 is Estimated (Latest) Date For Completion of</p> <p>19 Construction; do you see that?</p> <p>20 A. I do.</p> <p>21 Q. And it says: Suggest we pick a</p> <p>22 late date rather than an aggressive</p> <p>23 construction schedule so that the permit life</p>

William McCollum**11/13/2019**

Pages 221 to 224

Page 221	Page 223
<p>1 is not at risk without additional regulatory 2 action. 3 Do you see that? 4 A. I do. 5 Q. Had that issue been completed as 6 of August 16th, 2018? 7 A. Yes. I just needed to confirm my 8 selection of the date was okay with Franklin 9 and Frank Haney. 10 Q. And what was the date? 11 A. I don't recall right now. 12 Q. What is your best estimate of what 13 that date was? How many years out? 14 A. Completion of construction was 15 roughly 20 -- latter part of 2024. 16 Q. Okay. And that was for Unit 1? 17 A. Yes. 18 Q. What about Unit 2? 19 A. It would have been about a year 20 behind that. 21 Q. So basically six years down the 22 road for Unit 1? 23 A. Yes.</p>	<p>1 A. -- there is Roman numeral III 2 capital A and then lower case b; is that what 3 you are referring to? 4 Q. I am referring to lower case b, 5 yes, sir, at the first item on page two of the 6 punch list titled Manager Regulatory 7 Affairs/Licensing; are we together? 8 A. We are. 9 MR. O'REAR: It would actually be 10 III.A 1-b. 11 A. You are right, sorry. And the 12 question was, was that in place? 13 Q. (BY MR. LEMBKE:) Was that 14 complete or to be completed as of that date? 15 A. It was essentially complete. This 16 punch list reflects Morgan Lewis' notion of how 17 this would be done. We were going to do it a 18 little bit differently and rely on licensing 19 help from Framatome. So it was essentially 20 complete, but not exactly the way they indicate 21 here. 22 Q. All right. C is plant manager; do 23 you see that?</p>
Page 222	Page 224
<p>1 Q. Then Roman numeral III on the 2 punch list was Technical Qualifications; and 3 again, you were responsible for that, right? 4 A. Yes. 5 Q. And had the information required 6 under III.A been completed as of August 16, 7 2018? 8 A. No. 9 Q. Okay. When was it completed? 10 A. It was completed by November. 11 Q. For the information that you had 12 mentioned that was completed as of August 16, 13 2018 on this list, why had it not already been 14 transmitted to Morgan Lewis? 15 A. Because there just wasn't a need 16 to send it to them before we were ready to 17 submit the entire application. 18 Q. Okay. Under Roman numeral III-b, 19 had that information already been completed as 20 of August 16th, 2018? 21 A. (Reviewing document.) Just one 22 second. Okay. So just to clarify -- 23 Q. Yes, sir.</p>	<p>1 A. Deferred plant, yes. 2 Q. Yes, sir. And it says essentially 3 what Chardos is doing now, Chardos would be a 4 good candidate if available; do you see that? 5 A. I do. 6 Q. Had you ever had discussions with 7 either Franklin or Frank Haney about the 8 possibility of Jim Chardos becoming a Nuclear 9 Development employee after the closing? 10 A. No, I was advised that the 11 Purchase and Sale Agreement prohibited us from 12 soliciting TVA employees, so we didn't do that. 13 Q. I didn't ask that. That wasn't my 14 question. 15 My question was had you had a 16 conversation with Franklin Haney or Frank Haney 17 about the possibility of after the closing 18 hiring Jim Chardos? 19 A. No. 20 Q. Had you had a discussion with 21 anyone associated with Nuclear Development 22 about that? 23 A. No.</p>

William McCollum**11/13/2019**

Pages 225 to 228

Page 225	Page 227
<p>1 Q. Again on the second page of the</p> <p>2 punch list, D -- well, let me ask, I'm not sure</p> <p>3 I asked the question on C.</p> <p>4 Had that been determined as of</p> <p>5 August 2018?</p> <p>6 A. No.</p> <p>7 Q. D is Director Construction</p> <p>8 Planning; had that been determined as of August</p> <p>9 16, 2018?</p> <p>10 A. We -- yes, it had been.</p> <p>11 Q. E says: Also need to describe</p> <p>12 source of additional workers who will support</p> <p>13 these managers. Had that been determined as of</p> <p>14 August 16, 2018?</p> <p>15 A. Yes.</p> <p>16 Q. All right. Then if we flip the</p> <p>17 page to the third page of the punch list, the</p> <p>18 first section on the third page is entitled</p> <p>19 Construction Phase, and the person responsible</p> <p>20 is Marie; do you see that?</p> <p>21 A. I do.</p> <p>22 Q. Had the items listed under the</p> <p>23 Construction Phase been completed as of August</p>	<p>1 Q. All right. Next is Financial</p> <p>2 Qualification, and A is Newly Formed Entity</p> <p>3 Information, and that's assigned to you</p> <p>4 indicating will discuss with Larry Blust, Frank</p> <p>5 and Franklin; do you see that?</p> <p>6 A. I do.</p> <p>7 Q. Had that been completed as of</p> <p>8 August 16, 2018?</p> <p>9 A. My understanding was that</p> <p>10 everything was in place, but we hadn't given</p> <p>11 this information to Morgan Lewis.</p> <p>12 Q. Okay. And IV.B, Project</p> <p>13 Financing, was that information complete as of</p> <p>14 August 16, 2018?</p> <p>15 A. We had all the information, but it</p> <p>16 hadn't been transmitted to Morgan Lewis.</p> <p>17 Q. All right. Then Roman numeral V</p> <p>18 says: Other. While not formally a part of the</p> <p>19 application, NRC will want to see our plan for</p> <p>20 transition turnover of the responsibilities</p> <p>21 from TVA. They won't want TVA to just walk</p> <p>22 away; rather they will want to see a plan for</p> <p>23 turnover of function by function from one</p>
Page 226	Page 228
<p>1 16, 2018?</p> <p>2 A. No.</p> <p>3 Q. Then Roman numeral B at the bottom</p> <p>4 of the third page of the punch list also</p> <p>5 assigned to Marie is Quality Assurance Program</p> <p>6 Description; do you see that?</p> <p>7 A. No. On page three, Roman numeral</p> <p>8 III?</p> <p>9 Q. Page three of the punch list, B --</p> <p>10 A. Oh, B.</p> <p>11 Q. -- Quality Assurance Program</p> <p>12 Description; do you see that?</p> <p>13 A. I do.</p> <p>14 Q. And that had not been completed as</p> <p>15 of this date, August 16, 2018, correct?</p> <p>16 A. It had not.</p> <p>17 Q. All right. Then on page four,</p> <p>18 Marie is assigned C, which is Qualifications of</p> <p>19 the Constructor; do you see that?</p> <p>20 A. I do.</p> <p>21 Q. Had that been completed as of</p> <p>22 August 16, 2018?</p> <p>23 A. No.</p>	<p>1 company to the next.</p> <p>2 Do you see that?</p> <p>3 A. I do.</p> <p>4 Q. That was assigned to Marie, right?</p> <p>5 A. That's correct.</p> <p>6 Q. Had that been completed?</p> <p>7 A. No.</p> <p>8 Q. And was that ever a part of the</p> <p>9 application submitted?</p> <p>10 A. Not in the way that Morgan Lewis</p> <p>11 proposed it.</p> <p>12 Q. All right. Was anything akin to</p> <p>13 that included in the application?</p> <p>14 A. Well, there was -- it was alluded</p> <p>15 to in a general way, but not the way that they</p> <p>16 indicate here.</p> <p>17 Q. How was it alluded to in a general</p> <p>18 way?</p> <p>19 A. That we would have an orderly</p> <p>20 transition from the TVA staff to Nuclear</p> <p>21 Development on site.</p> <p>22 Q. But other than that high level</p> <p>23 discussion, no plan was submitted?</p>

William McCollum**11/13/2019**

Pages 229 to 232

<p style="text-align: right;">Page 229</p> <p>1 A. No details.</p> <p>2 Q. Okay.</p> <p>3 MR. O'REAR: We are at noon now.</p> <p>4 Are you through with that document?</p> <p>5 MR. LEMBKE: I am almost done with</p> <p>6 the document.</p> <p>7 Q. (BY MR. LEMBKE:) The -- and was</p> <p>8 this punch list maintained? I mean, was it a</p> <p>9 reference point over the course of the next</p> <p>10 three months from the time it was created until</p> <p>11 the application was submitted?</p> <p>12 A. Yes.</p> <p>13 Q. Were there any items ever added to</p> <p>14 it?</p> <p>15 A. Not that I recall.</p> <p>16 Q. All right.</p> <p>17 MR. LEMBKE: Let's go off the</p> <p>18 record.</p> <p>19 THE VIDEOGRAPHER: We are off the</p> <p>20 record at 12:00 p.m.</p> <p>21 (Whereupon, the lunch recess was</p> <p>22 taken at 12:00 p.m. until 1:08</p> <p>23 p.m.)</p>	<p style="text-align: right;">Page 231</p> <p>1 Bellefonte construction permits along with your</p> <p>2 cover letter transmitting that application,</p> <p>3 correct?</p> <p>4 A. Yes.</p> <p>5 Q. All right. And you signed the</p> <p>6 cover letter, correct? It's at page 4765 --</p> <p>7 A. (Reviewing document.) Yes.</p> <p>8 Q. -- Exhibit 82.</p> <p>9 And you believed every word in</p> <p>10 that cover letter was true, correct?</p> <p>11 A. I did believe it was true and</p> <p>12 correct, yes.</p> <p>13 Q. And you, in fact, believed that</p> <p>14 every word in the entire application was true</p> <p>15 and correct, true?</p> <p>16 A. Yes.</p> <p>17 Q. And at page 4766 you gave an</p> <p>18 affirmation that everything in the letter and</p> <p>19 the license application was true and correct to</p> <p>20 the best of your knowledge, information and</p> <p>21 belief, correct?</p> <p>22 A. I did affirm, yes.</p> <p>23 Q. Okay.</p>
<p style="text-align: right;">Page 230</p> <p>1 THE VIDEOGRAPHER: We are back on</p> <p>2 the record at 1:08 p.m.</p> <p>3 Q. (BY MR. LEMBKE:) Mr. McCollum, do</p> <p>4 you recall that on August 29th, 2018, Nuclear</p> <p>5 Development requested a six-month extension of</p> <p>6 the closing date on the Purchase and Sale</p> <p>7 Agreement for the Bellefonte site?</p> <p>8 A. I was aware of that, yes.</p> <p>9 Q. Okay. And do you know why Nuclear</p> <p>10 Development asked for that at that time?</p> <p>11 A. I don't.</p> <p>12 Q. Let me show you what I am going to</p> <p>13 mark as Exhibit 82.</p> <p>14 (Exhibit Number 82 was marked for</p> <p>15 identification.)</p> <p>16 Q. And, Mr. McCollum, the first page</p> <p>17 of this is an email from Tim Matthews to Chris</p> <p>18 Chandler at TVA with a copy to you dated</p> <p>19 November 13th, 2018, right?</p> <p>20 A. I see that, yes.</p> <p>21 Q. And it is attaching a copy of the</p> <p>22 application submitted by Nuclear Development to</p> <p>23 the NRC for approval of the transfer of the</p>	<p style="text-align: right;">Page 232</p> <p>1 MR. O'REAR: Let me state that to</p> <p>2 the extent there are proprietary inclusions and</p> <p>3 information in this letter, we designate them</p> <p>4 as confidential. I notice that they are not</p> <p>5 stamped confidential on this exhibit, but --</p> <p>6 MR. LEMBKE: Isn't this a public</p> <p>7 document?</p> <p>8 MR. O'REAR: Part of it is public</p> <p>9 and part of it is not public, but I am not sure</p> <p>10 exactly which -- which is which. But I just</p> <p>11 reserve that right to mark that confidential.</p> <p>12 MR. LEMBKE: Okay.</p> <p>13 Q. (BY MR. LEMBKE:) Now, Mr.</p> <p>14 McCollum, when you sent this letter, you</p> <p>15 understood that the permits, the construction</p> <p>16 permits for Bellefonte, could not be maintained</p> <p>17 in deferred plant status and Nuclear</p> <p>18 Development proceed to closing, correct?</p> <p>19 MR. O'REAR: Objection. Present a</p> <p>20 specific provision in a very lengthy exhibit</p> <p>21 you are referring to.</p> <p>22 MR. LEMBKE: I am not referring to</p> <p>23 anything.</p>

William McCollum

11/13/2019

Pages 233 to 236

Page 233	Page 235
<p>1 MR. O'REAR: I thought you were.</p> <p>2 MR. LEMBKE: No.</p> <p>3 Q. (BY MR. LEMBKE:) You understood</p> <p>4 that when you submitted your letter and the</p> <p>5 application that the Bellefonte construction</p> <p>6 permits could not be maintained in deferred</p> <p>7 plant status and the closing take place,</p> <p>8 correct?</p> <p>9 MR. O'REAR: Same objection.</p> <p>10 A. I did not understand that.</p> <p>11 Q. (BY MR. LEMBKE:) All right.</p> <p>12 Well, let's look at page -- the first page of</p> <p>13 your cover letter which is Bates number 4761.</p> <p>14 A. Yes.</p> <p>15 Q. In the end of the first paragraph,</p> <p>16 you say: To the extent that NRC does not have</p> <p>17 sufficient time to decide substantively on the</p> <p>18 matters requested in the application prior to</p> <p>19 closing of the asset transfer, Nuclear</p> <p>20 Development requests that the NRC hold the</p> <p>21 permits in terminated plant but unexpired and</p> <p>22 not withdrawn status, consistent with the</p> <p>23 Section III.B of the Deferred Plants Policy</p>	<p>1 rule on the transfer application prior to the</p> <p>2 closing of the sale of Bellefonte to Nuclear</p> <p>3 Development, you were asking that the permits</p> <p>4 be switched from deferred plant status to</p> <p>5 terminated plant status until that NRC action</p> <p>6 could be undertaken, correct?</p> <p>7 MR. O'REAR: Same objection,</p> <p>8 misstates the record.</p> <p>9 A. Yeah, I don't see the term</p> <p>10 switched in the letter.</p> <p>11 Q. (BY MR. LEMBKE:) Well, you</p> <p>12 understood that the permits -- I take your</p> <p>13 point, but you understood that the permits were</p> <p>14 not being held by TVA in terminated plant</p> <p>15 status, correct?</p> <p>16 A. Yes, I'm not clear on the</p> <p>17 distinction between deferred plant and</p> <p>18 terminated plant.</p> <p>19 Q. You wrote the letter, right?</p> <p>20 A. I understand.</p> <p>21 Q. But you weren't clear of what you</p> <p>22 were saying in the letter?</p> <p>23 A. I'm clear of what the letter says.</p>
Page 234	Page 236
<p>1 until such time as the Commission has reached</p> <p>2 its determination on these requests.</p> <p>3 That's what you said, right?</p> <p>4 A. Yes.</p> <p>5 Q. Well -- so you were asking for the</p> <p>6 permits to be switched from deferred plant</p> <p>7 status to terminated plant status if the NRC</p> <p>8 could not act on this application prior to</p> <p>9 closing, correct?</p> <p>10 MR. O'REAR: Object to the form.</p> <p>11 Mistaken summary of what is stated here.</p> <p>12 A. I'm not sure that I understand it</p> <p>13 the way you state it. I would have to refer to</p> <p>14 the Deferred Plants Policy.</p> <p>15 Q. (BY MR. LEMBKE:) Well, guess what</p> <p>16 I have got for you.</p> <p>17 A. Good.</p> <p>18 Q. Let me let the court reporter mark</p> <p>19 this as Exhibit 83.</p> <p>20 (Exhibit Number 83 was marked for</p> <p>21 identification.)</p> <p>22 Q. But before you get there, it is</p> <p>23 true that you are asking the NRC if it did not</p>	<p>1 I'm not clear about what you are saying.</p> <p>2 Q. Well, you were asking -- you</p> <p>3 understood that TVA -- that the two Bellefonte</p> <p>4 construction permits were in deferred plant</p> <p>5 status as TVA held them, correct?</p> <p>6 A. Yes.</p> <p>7 Q. And you understand that terminated</p> <p>8 plant status is different from deferred plant</p> <p>9 status, correct?</p> <p>10 A. In this instance, I'm not sure.</p> <p>11 Q. So just based on your years of</p> <p>12 experience in the nuclear power industry, you</p> <p>13 don't know whether deferred plant status is</p> <p>14 different from terminated plant status, is that</p> <p>15 what you are saying?</p> <p>16 A. Not this specific case.</p> <p>17 MR. O'REAR: Objection, asking for</p> <p>18 a question of law.</p> <p>19 Q. (BY MR. LEMBKE:) Well, when you</p> <p>20 wrote this -- you were making a request to NRC,</p> <p>21 correct?</p> <p>22 A. Correct.</p> <p>23 Q. And isn't it a fair inference you</p>

William McCollum**11/13/2019**

Pages 237 to 240

Page 237	Page 239
<p>1 are asking them to ask that they be held in</p> <p>2 some different status during the pending</p> <p>3 determination on the transfer application?</p> <p>4 A. It's accurate to say that the</p> <p>5 letter asked that they be held in terminated</p> <p>6 plant status.</p> <p>7 Q. Right. Why did you ask for that</p> <p>8 permission to hold them in terminated plant</p> <p>9 status?</p> <p>10 A. On advice of counsel.</p> <p>11 Q. Okay. Did you believe that</p> <p>12 Nuclear Development could hold the plants --</p> <p>13 excuse me, let me start over.</p> <p>14 If the closing occurred on the</p> <p>15 sale of Bellefonte to Nuclear Development</p> <p>16 before the NRC ruled on the transfer</p> <p>17 application, did you understand that it was</p> <p>18 permissible for Nuclear Development to hold the</p> <p>19 permits in the same manner as TVA held the</p> <p>20 permits?</p> <p>21 MR. O'REAR: Objection. Could you</p> <p>22 restate the question? Sorry.</p> <p>23 MR. LEMBKE: Will you read it</p>	<p>1 that was my understanding at the time.</p> <p>2 Q. (BY MR. LEMBKE:) Well, if it was</p> <p>3 permissible for the permits to remain in</p> <p>4 deferred plant status, then why were you asking</p> <p>5 for them to be held by NRC in terminated plant</p> <p>6 status?</p> <p>7 A. Well, because that was done on</p> <p>8 advice of counsel.</p> <p>9 Q. All right. I put before you</p> <p>10 Exhibit 83 which is the -- do you recognize</p> <p>11 this as the Nuclear Regulatory Commission</p> <p>12 Policy Statement on Deferred Plants dated</p> <p>13 October 14, 1987?</p> <p>14 A. That's what the document says.</p> <p>15 Q. And this is what you were</p> <p>16 referring to when you referenced the Deferred</p> <p>17 Plants Policy in your letter of November 13,</p> <p>18 2018 to the NRC, correct?</p> <p>19 A. Give me just one second.</p> <p>20 (Reviewing document.) Yes.</p> <p>21 Q. Now, in the sentence we have been</p> <p>22 looking at on the second page of Exhibit 82,</p> <p>23 which is the first paragraph of your letter to</p>
Page 238	Page 240
<p>1 back, Gail?</p> <p>2 (Record read.)</p> <p>3 MR. O'REAR: I object. To me,</p> <p>4 that's unintelligible. I'm not sure you meant</p> <p>5 to ask that question.</p> <p>6 MR. LEMBKE: That's exactly what I</p> <p>7 intended to ask.</p> <p>8 A. Okay. Can you read it back one</p> <p>9 more time for me, please?</p> <p>10 (Record read.)</p> <p>11 MR. O'REAR: Referring to the</p> <p>12 construction permits?</p> <p>13 MR. LEMBKE: Yes.</p> <p>14 MR. O'REAR: You are asking him if</p> <p>15 it was permissible for Nuclear Development</p> <p>16 to --</p> <p>17 MR. LEMBKE: You have made your</p> <p>18 objection.</p> <p>19 MR. O'REAR: I know. I don't</p> <p>20 understand your question; I don't know if the</p> <p>21 witness does.</p> <p>22 A. So to the extent that I understand</p> <p>23 what you are asking, I think my answer is yes,</p>	<p>1 the NRC transmitting the permit transfer</p> <p>2 application, you say -- you request that NRC</p> <p>3 hold the permits in terminated plants but</p> <p>4 unexpired and not withdrawn status consistent</p> <p>5 with the Section III.B of the Deferred Plants</p> <p>6 Policy; do you see that?</p> <p>7 A. I do see that.</p> <p>8 Q. And Section III.B of the Deferred</p> <p>9 Plants Policy is on page six of Exhibit 83; do</p> <p>10 you see that?</p> <p>11 A. I do.</p> <p>12 Q. What were you referring to in</p> <p>13 Section III.B when you made that statement?</p> <p>14 A. That was included on advice of</p> <p>15 counsel, and I don't have a specific</p> <p>16 understanding of which item under III.B was</p> <p>17 referenced.</p> <p>18 Q. So when you made an affirmation</p> <p>19 that the statements in your letter were true</p> <p>20 and correct to the best of your knowledge,</p> <p>21 information and belief, you didn't really have</p> <p>22 an understanding of what you meant when you</p> <p>23 said consistent with the Section III.B of the</p>

William McCollum**11/13/2019**

Pages 241 to 244

Page 241	Page 243
<p>1 Deferred Plants Policy, is that correct?</p> <p>2 A. I believe that my affirmation was</p> <p>3 correct and that I believe that this</p> <p>4 information was correct to the best of my</p> <p>5 knowledge and understanding based upon advice</p> <p>6 of counsel.</p> <p>7 Q. All right. So is it fair to say</p> <p>8 you signed it because Nuclear Development's</p> <p>9 counsel told you to sign that part of it?</p> <p>10 MR. O'REAR: Objection.</p> <p>11 A. That's not correct.</p> <p>12 Q. (BY MR. LEMBKE:) All right.</p> <p>13 Well, do you sitting here today have an</p> <p>14 understanding of what you meant when you said</p> <p>15 consistent with the Section III.B of the</p> <p>16 Deferred Plants Policy?</p> <p>17 A. I can't offer legal explanations</p> <p>18 about those references, no.</p> <p>19 Q. I am not asking for any legal</p> <p>20 explanation. I am asking for you as the author</p> <p>21 of the letter what you understood you were</p> <p>22 saying to the NRC when you said that?</p> <p>23 A. I can't offer you an explanation</p>	<p>1 Well, before we do that, did you</p> <p>2 read the Deferred Plant Policy before you</p> <p>3 signed this letter?</p> <p>4 A. I did not.</p> <p>5 Q. Did you ever ask TVA to consent to</p> <p>6 switching the permits to terminated status?</p> <p>7 A. I did not.</p> <p>8 Q. Are you aware of anyone</p> <p>9 representing Nuclear Development doing that?</p> <p>10 A. I'm not.</p> <p>11 Q. All right. On page two in the</p> <p>12 third paragraph, the paragraph begins both</p> <p>13 Bellefonte units are currently in deferred</p> <p>14 plant status. Do you see that?</p> <p>15 A. I do.</p> <p>16 Q. And then it says: In 2014, TVA</p> <p>17 requested an extension of the completion date</p> <p>18 for Unit 2. Do you see that?</p> <p>19 A. I do.</p> <p>20 Q. And then you wrote: On March</p> <p>21 31st, 2017, TVA provided an update on that</p> <p>22 extension request noting the continuing timely</p> <p>23 renewal status of that application under 10 CFR</p>
Page 242	Page 244
<p>1 other than what I have already said.</p> <p>2 Q. Okay. In looking at Section III.B</p> <p>3 of Exhibit 83, the first sentence says: A</p> <p>4 licensee should inform the director of NRR when</p> <p>5 a plant is placed in a terminated status;</p> <p>6 right?</p> <p>7 A. That's what it says.</p> <p>8 Q. And the licensee here is TVA, not</p> <p>9 Nuclear Development, correct?</p> <p>10 A. That's correct.</p> <p>11 Q. All right. And I don't -- I don't</p> <p>12 see anything in Section III.B that talks about</p> <p>13 any action that could be taken by a prospective</p> <p>14 transferee of the license; do you?</p> <p>15 A. No.</p> <p>16 Q. And I don't see any reference in</p> <p>17 Section III.B to the NRC holding issued permits</p> <p>18 in a terminated plant status while it considers</p> <p>19 a transfer application; do you?</p> <p>20 A. No.</p> <p>21 Q. All right. If you look at the</p> <p>22 second page of your letter, which is Bates</p> <p>23 number 4762 in Exhibit 82 --</p>	<p>1 Section 2.109 and informing NRC of the planned</p> <p>2 sale of the Bellefonte unit to Nuclear</p> <p>3 Development.</p> <p>4 Do you see that?</p> <p>5 A. I do.</p> <p>6 Q. And then you wrote: This update</p> <p>7 also deferred action regarding a revised</p> <p>8 construction completion date to interaction</p> <p>9 between NRC and Nuclear Development.</p> <p>10 Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. And then you concluded: Thus,</p> <p>13 Unit 2 remains in timely renewal status;</p> <p>14 correct?</p> <p>15 A. Yes.</p> <p>16 Q. And that's what you believed to be</p> <p>17 true and correct?</p> <p>18 A. That's correct.</p> <p>19 Q. And that was Nuclear Development's</p> <p>20 position, correct?</p> <p>21 A. That's correct.</p> <p>22 Q. Okay. All right. In the next</p> <p>23 paragraph, about five lines from the bottom, do</p>

William McCollum**11/13/2019**

Pages 245 to 248

Page 245	Page 247
<p>1 you see the sentence that begins once the</p> <p>2 permits have been transferred?</p> <p>3 A. Yes.</p> <p>4 Q. All right. Am I right that you</p> <p>5 wrote: Once the permits have been transferred,</p> <p>6 Nuclear Development plans to continue only the</p> <p>7 status quo physical preservation, security and</p> <p>8 safety activities now being conducted by TVA?</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. What was going to happen with the</p> <p>12 status quo physical preservation, security and</p> <p>13 safety activities prior to transfer of the</p> <p>14 permits?</p> <p>15 A. The intent was that all of the</p> <p>16 activities would continue as they had been.</p> <p>17 Q. By whom?</p> <p>18 A. By TVA or Nuclear Development.</p> <p>19 Q. Well, which one?</p> <p>20 MR. O'REAR: At what point in</p> <p>21 time?</p> <p>22 Q. (BY MR. LEMBKE:) Well, this is</p> <p>23 referring to -- let me make my time period.</p>	<p>1 Q. Right. But I am asking did you</p> <p>2 ever communicate with NRC about what was going</p> <p>3 to happen with regard --</p> <p>4 Well, let me start with this: You</p> <p>5 understand that NRC imposes obligations</p> <p>6 relating to physical preservation, security and</p> <p>7 safety activities at nuclear plants in deferred</p> <p>8 plant status, right?</p> <p>9 A. Yes.</p> <p>10 Q. All right. And you understood</p> <p>11 that TVA was obligated under its permits to</p> <p>12 perform those activities -- or comply with</p> <p>13 those obligations, correct?</p> <p>14 A. Yes.</p> <p>15 Q. All right. Now, in this letter</p> <p>16 you contemplated that the Bellefonte site would</p> <p>17 be transferred to Nuclear Development prior to</p> <p>18 approval of transfer of the construction</p> <p>19 permits to Nuclear Development, correct?</p> <p>20 A. As a possibility, yes.</p> <p>21 Q. All right. And my question is,</p> <p>22 did Nuclear Development ever address with the</p> <p>23 NRC if that possibility came to pass how the</p>
Page 246	Page 248
<p>1 If the closing had occurred but</p> <p>2 the permits had not yet been transferred, who</p> <p>3 was going to be responsible for the physical</p> <p>4 preservation, security and safety activities</p> <p>5 that had been conducted by TVA prior to the</p> <p>6 closing?</p> <p>7 A. The application describes the</p> <p>8 activities that would be undertaken once the</p> <p>9 permits have been transferred.</p> <p>10 Q. Right. But I am talking about</p> <p>11 what was contemplated by Nuclear Development if</p> <p>12 there was a period after the closing but before</p> <p>13 the permits were transferred? What was going</p> <p>14 to happen with regard to those activities?</p> <p>15 A. That we would arrange for a way</p> <p>16 for those activities to continue.</p> <p>17 Q. You didn't say that anywhere in</p> <p>18 here, did you?</p> <p>19 A. This is describing the activity we</p> <p>20 will undertake -- this is an application for</p> <p>21 transfer of the construction permits, so it</p> <p>22 describes the activities that we will undertake</p> <p>23 upon transfer of the construction permits.</p>	<p>1 obligations of the licensee under the permits</p> <p>2 would be satisfied with regard to physical</p> <p>3 preservation, security and safety activities?</p> <p>4 A. We didn't get to that point, no.</p> <p>5 Q. Okay. Did you ever have a</p> <p>6 discussion with TVA about how that was going to</p> <p>7 be handled?</p> <p>8 A. I had discussions with the</p> <p>9 transition executive when I contact Jim Chardos</p> <p>10 in general terms that we might need to work</p> <p>11 together.</p> <p>12 Q. All right. Are you aware that TVA</p> <p>13 had any contractual obligation post-closing to</p> <p>14 perform any of those activities at the site?</p> <p>15 A. I'm not.</p> <p>16 Q. But you understand that if TVA was</p> <p>17 still the licensee that TVA would have the</p> <p>18 obligation in the eyes of the NRC to carry out</p> <p>19 those activities, right?</p> <p>20 A. During the period between the</p> <p>21 Purchase and Sale Agreement and the intended</p> <p>22 closing date, TVA had those obligations and was</p> <p>23 performing activities in response to those</p>

William McCollum**11/13/2019**

Pages 249 to 252

Page 249	Page 251
<p>1 obligations for which they were being</p> <p>2 reimbursed by Nuclear Development.</p> <p>3 Q. But TVA had --</p> <p>4 A. So that is an arrangement that</p> <p>5 certainly could have continued.</p> <p>6 Q. But there was no contractual</p> <p>7 agreement by TVA to continue that, correct?</p> <p>8 A. I don't know that to be a fact,</p> <p>9 no.</p> <p>10 Q. You don't know of any, do you?</p> <p>11 A. I do not.</p> <p>12 Q. All right. Nor are you aware of</p> <p>13 Nuclear Development ever committing to pay TVA</p> <p>14 to continue those activities, correct?</p> <p>15 A. That's correct.</p> <p>16 Q. All right. Now if you will turn</p> <p>17 to page 4763, which is page three of your</p> <p>18 letter to the NRC transmitting the construction</p> <p>19 permit transfer application, in the very bottom</p> <p>20 paragraph that begins Nuclear Development is</p> <p>21 pursuing a project finance model. Do you see</p> <p>22 that?</p> <p>23 A. Oh, I'm sorry, hang on.</p>	<p>1 conditional commitment.</p> <p>2 Q. Had anyone at the Loan Program</p> <p>3 Office told Nuclear Development, to your</p> <p>4 knowledge, that it could expect to receive a</p> <p>5 conditional commitment?</p> <p>6 A. No, that would be against DOE</p> <p>7 policy.</p> <p>8 Q. Okay. Continuing on page four of</p> <p>9 your letter, which is Bates number 4764, about</p> <p>10 two-thirds of the way down the page, do you see</p> <p>11 the paragraph that begins pursuant to 10 CFR</p> <p>12 50.90?</p> <p>13 A. I do.</p> <p>14 Q. That sentence continues: Nuclear</p> <p>15 Development also requests NRC approval of</p> <p>16 certain administrative amendments to conform</p> <p>17 the permits to reflect a proposed transfer.</p> <p>18 The changes are shown in Attachments 2 and 4 to</p> <p>19 this letter.</p> <p>20 Do you see that?</p> <p>21 A. I do.</p> <p>22 Q. Why were amendments to the permits</p> <p>23 needed? And I can direct you to the pages that</p>
Page 250	Page 252
<p>1 Q. The very last paragraph on the</p> <p>2 page.</p> <p>3 A. (Reviewing document.) Yes, okay.</p> <p>4 Q. All right. And do you see the</p> <p>5 last sentence on the last line begins: It is</p> <p>6 negotiating with the Department of Energy Loan</p> <p>7 Program Office for a loan guarantee under the</p> <p>8 Energy Policy Act of 2005 and expects to</p> <p>9 receive a conditional commitment. Do you see</p> <p>10 that?</p> <p>11 A. I do.</p> <p>12 Q. What was the basis for your</p> <p>13 statement that Nuclear Development expected to</p> <p>14 receive a conditional commitment?</p> <p>15 A. The fact that we pursued the</p> <p>16 application process with the Department of</p> <p>17 Energy through phase one into phase two and had</p> <p>18 submitted all of the information that</p> <p>19 Department of Energy had requested under their</p> <p>20 phase two process and had not received any</p> <p>21 further requests for information and felt</p> <p>22 confident that the information we provided</p> <p>23 should allow the Loan Program Office to issue a</p>	<p>1 I suspect you are looking for. Attachment 2 is</p> <p>2 at Bates number 4908 -- actually 4907 is the</p> <p>3 start of Attachment 2, and 4913 is the start of</p> <p>4 Attachment 4.</p> <p>5 MR. O'REAR: Could you read back</p> <p>6 the question on the table?</p> <p>7 MR. LEMBKE: My question is why</p> <p>8 were the amendments to the permits needed.</p> <p>9 A. In order to change the names on</p> <p>10 the construction permits, the construction</p> <p>11 completion dates.</p> <p>12 Q. (BY MR. LEMBKE:) And if you look</p> <p>13 at page 4908 which is the Unit 1 permit. Do</p> <p>14 you see that?</p> <p>15 A. I do.</p> <p>16 Q. The proposal was, in paragraph B,</p> <p>17 under the existing permit the Tennessee Valley</p> <p>18 Authority was defined to be the applicant,</p> <p>19 correct?</p> <p>20 A. That's correct.</p> <p>21 Q. And so you understood that to mean</p> <p>22 wherever the term applicant was used, that</p> <p>23 referred to the Tennessee Valley Authority,</p>

William McCollum**11/13/2019**

Pages 253 to 256

Page 253	Page 255
<p>1 correct?</p> <p>2 A. Wherever it was used in the</p> <p>3 original construction permit, is that --</p> <p>4 Q. Yes, sir.</p> <p>5 A. Yes, the applicant at that time</p> <p>6 was Tennessee Valley Authority.</p> <p>7 Q. And so you understood it to be</p> <p>8 necessary to change the name in Section 1-B of</p> <p>9 the permit to Nuclear Development so everywhere</p> <p>10 the term the applicant used going forward --</p> <p>11 was used in the permit going forward, that</p> <p>12 would mean Nuclear Development, correct?</p> <p>13 A. Yes.</p> <p>14 Q. And that was -- a parallel change</p> <p>15 was suggested for the Unit 2 construction</p> <p>16 permit in Section 1-B of that permit, correct?</p> <p>17 A. Yes.</p> <p>18 Q. All right. Let's go back to page</p> <p>19 4764.</p> <p>20 A. Okay.</p> <p>21 Q. At the bottom of that page, the</p> <p>22 second to last paragraph begins in summary; do</p> <p>23 you see that?</p>	<p>1 the paragraph, do you see the sentence that</p> <p>2 begins Nuclear Development also requests that?</p> <p>3 A. Yes.</p> <p>4 Q. And that sentence says: Nuclear</p> <p>5 Development also requests that the NRC issue</p> <p>6 conforming administrative amendments to reflect</p> <p>7 the transfer and amend the permits to reflect</p> <p>8 revised construction completion dates discussed</p> <p>9 herein. Did I read that correct?</p> <p>10 A. Yes.</p> <p>11 Q. Correctly, I mean. And so does</p> <p>12 this refresh your recollection that a</p> <p>13 conforming amendment would include what you</p> <p>14 were suggesting happened with regard to the</p> <p>15 permits for Units 1 and 2?</p> <p>16 MR. O'REAR: Let me object to the</p> <p>17 question if you are referring to another</p> <p>18 document. I think the question is misleading</p> <p>19 in terms of your use of the word conforming</p> <p>20 amendments.</p> <p>21 Q. (BY MR. LEMBKE:) Well, earlier</p> <p>22 today you told me you didn't know what a</p> <p>23 conforming amendment was, right?</p>
Page 254	Page 256
<p>1 A. Yes.</p> <p>2 Q. And then it says: In summary, the</p> <p>3 proposed transfer of the permits will not be</p> <p>4 inimical to the common defense and security or</p> <p>5 result in any undue risk to public health and</p> <p>6 safety. And the transfer will be consistent</p> <p>7 with the requirements of the Atomic Energy Act</p> <p>8 and the NRC regulations.</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. And what, if any, research did you</p> <p>12 do to determine whether the transfer would be</p> <p>13 consistent with the requirements of the Atomic</p> <p>14 Energy Act and the NRC regulations?</p> <p>15 A. I relied on investigation</p> <p>16 performed by counsel.</p> <p>17 Q. Okay. Let's turn to page 4769,</p> <p>18 which is page one of fourteen in the actual</p> <p>19 application; do you see that?</p> <p>20 A. I do.</p> <p>21 Q. All right. And I want to direct</p> <p>22 your attention, Mr. McCollum, to paragraph one</p> <p>23 of the introduction. And about midway through</p>	<p>1 A. I think -- I think what I tried to</p> <p>2 say earlier was the term conforming amendment</p> <p>3 or conforming administrative amendments, I</p> <p>4 might not understand all of the implications or</p> <p>5 meanings of that term. I do understand that we</p> <p>6 were asking in this application that the NRC</p> <p>7 change the permits to put in the name of</p> <p>8 Nuclear Development, LLC and revised</p> <p>9 construction dates.</p> <p>10 Q. And you understood that to be a</p> <p>11 conforming amendment as that term is used by</p> <p>12 the NRC?</p> <p>13 A. In terms of this sentence, that</p> <p>14 appears to be so.</p> <p>15 Q. All right. Now let me ask you to</p> <p>16 turn to page twelve of the application, which</p> <p>17 is Bates number 4780.</p> <p>18 A. Okay.</p> <p>19 Q. And you see the section QA</p> <p>20 Program?</p> <p>21 A. Yes.</p> <p>22 Q. And the first sentence says: Upon</p> <p>23 consummation of the transfer, Nuclear</p>

William McCollum**11/13/2019**

Pages 257 to 260

Page 257	Page 259
<p>1 Development will assume responsibility for the</p> <p>2 overall QA program requirements associated with</p> <p>3 maintaining ownership of permits as specified</p> <p>4 for the Bellefonte units in the TVA nuclear</p> <p>5 quality assurance program description QA PD</p> <p>6 Revision 33 or later revision, if effective.</p> <p>7 And then it goes on to say: TVA will transfer</p> <p>8 responsibility for the QA program requirements</p> <p>9 at Bellefonte to Nuclear Development.</p> <p>10 Do you see that?</p> <p>11 A. I do.</p> <p>12 Q. And am I correct that this is only</p> <p>13 referring to what will happen when the NRC</p> <p>14 approves transfer of the permits, correct?</p> <p>15 A. That is my understanding.</p> <p>16 Q. All right. Then the next section</p> <p>17 refers to a QV Program; do you see that?</p> <p>18 A. I do.</p> <p>19 Q. What does QV stand for?</p> <p>20 A. Quality verification.</p> <p>21 Q. All right. And, again, what is</p> <p>22 described here only relates to the time period</p> <p>23 once the NRC approves transfer of the permits,</p>	<p>1 November?</p> <p>2 Q. (BY MR. LEMBKE:) By the end of</p> <p>3 November 2018.</p> <p>4 A. Okay --</p> <p>5 Q. Let's break it down. You</p> <p>6 submitted this application on November 13th,</p> <p>7 2018, correct?</p> <p>8 A. Yes.</p> <p>9 Q. You understood at the time you</p> <p>10 submitted it that there was no realistic</p> <p>11 possibility that the NRC would complete review</p> <p>12 and issue an order in connection with the</p> <p>13 application by seventeen days later, which</p> <p>14 would have been November 30th, 2018, correct?</p> <p>15 A. Yes.</p> <p>16 Q. And so you expected that there</p> <p>17 would be a gap where Bellefonte -- where the</p> <p>18 Bellefonte site would be owned by Nuclear</p> <p>19 Development, but the construction permits would</p> <p>20 be held by TVA --</p> <p>21 MR. O'REAR: Object to the form --</p> <p>22 Q. (BY MR. LEMBKE:) -- is that</p> <p>23 right?</p>
Page 258	Page 260
<p>1 correct?</p> <p>2 A. That's my understanding.</p> <p>3 Q. Okay. And then if you turn to the</p> <p>4 next page, which is page thirteen of the</p> <p>5 application, Bates number 4781 in Exhibit 82,</p> <p>6 in Section 8, that is entitled Requested Review</p> <p>7 Schedule and Other Required Approvals; do you</p> <p>8 see that?</p> <p>9 A. Yes.</p> <p>10 Q. And so if you look at the second</p> <p>11 sentence, you say: In any event, Nuclear</p> <p>12 Development requests issuance of an order in</p> <p>13 conforming license amendments by May 1st, 2019.</p> <p>14 Do you see that?</p> <p>15 A. I do.</p> <p>16 Q. And, Mr. McCollum, you understood</p> <p>17 when you submitted this that there was no</p> <p>18 realistic possibility that the NRC would be</p> <p>19 able -- if you were submitting this on November</p> <p>20 13th, would be able to complete their review of</p> <p>21 it and issue an order by the end of November,</p> <p>22 correct?</p> <p>23 MR. O'REAR: By the end of</p>	<p>1 MR. O'REAR: -- use of the term</p> <p>2 gap.</p> <p>3 A. Possibly, yes.</p> <p>4 Q. (BY MR. LEMBKE:) Well, why do you</p> <p>5 say possibly?</p> <p>6 A. Well, only because I don't ever</p> <p>7 claim to know exactly what's going to happen in</p> <p>8 the future.</p> <p>9 Q. All right. But you had no -- you</p> <p>10 certainly had no expectation that the NRC would</p> <p>11 approve the transfer before the end of the</p> <p>12 month of November of 2018, right?</p> <p>13 A. Correct.</p> <p>14 Q. And notwithstanding that, there</p> <p>15 were no arrangements in place with TVA as to</p> <p>16 how the QA obligations would be handled after</p> <p>17 any closing that occurred on November 30th,</p> <p>18 2018, correct?</p> <p>19 A. That's correct.</p> <p>20 Q. All right. Now if you will turn</p> <p>21 to page 4836 of Exhibit 82 --</p> <p>22 A. (Reviewing document.) Okay.</p> <p>23 Q. -- this is the quality assurance</p>

William McCollum**11/13/2019**

Pages 261 to 264

Page 261	Page 263
<p>1 plan prepared by SNC-Lavalin for Bellefonte for</p> <p>2 Nuclear Development, right?</p> <p>3 A. Correct.</p> <p>4 Q. All right. And this indicates</p> <p>5 that it is a document of at least seventy-three</p> <p>6 pages, correct?</p> <p>7 A. Yes.</p> <p>8 Q. All right. And if you look at</p> <p>9 page 4840 Section 1.3, in the section entitled</p> <p>10 Scope of This QA Plan, the first paragraph</p> <p>11 indicates that the plan would be in effect</p> <p>12 during the period of deferral of the</p> <p>13 construction period, right?</p> <p>14 A. Yes.</p> <p>15 Q. And this plan was not meant to</p> <p>16 apply to a terminated plant status, correct?</p> <p>17 A. Our intent was that the plan would</p> <p>18 apply during the period of time prior to</p> <p>19 resuming active construction.</p> <p>20 Q. All right. But would not begin to</p> <p>21 apply until the NRC had approved transfer of</p> <p>22 the permits, right?</p> <p>23 A. Correct.</p>	<p>1 to say the NRC was not satisfied with its</p> <p>2 completeness?</p> <p>3 A. I think it's fair to say that the</p> <p>4 NRC asked for additional information in making</p> <p>5 their determination and had the right, if they</p> <p>6 had chosen to, to use words like deficient.</p> <p>7 Q. Would you agree that the NRC</p> <p>8 determined that the application was -- the</p> <p>9 information provided was not sufficient?</p> <p>10 A. Yes.</p> <p>11 Q. And do you not regard not</p> <p>12 sufficient and deficient as synonymous?</p> <p>13 A. I do not.</p> <p>14 MR. O'REAR: Objection.</p> <p>15 Q. (BY MR. LEMBKE:) You do not?</p> <p>16 A. I do not.</p> <p>17 Q. Okay.</p> <p>18 MR. O'REAR: Agree with that.</p> <p>19 MR. LEMBKE: Move to strike.</p> <p>20 MR. O'REAR: I apologize.</p> <p>21 (Exhibit Number 84 was marked for</p> <p>22 identification.)</p> <p>23 Q. (BY MR. LEMBKE:) I have given you</p>
Page 262	Page 264
<p>1 Q. The amendments that you were</p> <p>2 suggesting be made to the permits, at least the</p> <p>3 one changing the name of the applicant, was</p> <p>4 needed because you knew the applicant could not</p> <p>5 continue to be shown as TVA if Nuclear</p> <p>6 Development held the permit, right?</p> <p>7 A. Yes.</p> <p>8 Q. Now, you are aware, Mr. McCollum,</p> <p>9 that the NRC deemed the application that was</p> <p>10 submitted to be deficient, correct?</p> <p>11 A. They requested additional</p> <p>12 information.</p> <p>13 Q. Is it fair to say the NRC was not</p> <p>14 willing to proceed with review until Nuclear</p> <p>15 Development provided more information?</p> <p>16 A. I think they stated that they</p> <p>17 would need additional information to make a</p> <p>18 decision on acceptance for review.</p> <p>19 Q. Okay. And do you think that's not</p> <p>20 a fair characterization to say it was deficient</p> <p>21 to enable review by the NRC?</p> <p>22 A. No.</p> <p>23 Q. No. Well, do you think it's fair</p>	<p>1 what I have marked as Exhibit 84, Mr. McCollum.</p> <p>2 And this is the letter of April 5, 2019 to you</p> <p>3 from the NRC, correct?</p> <p>4 A. April 5th, 2019, yes.</p> <p>5 Q. And in it at the bottom of the</p> <p>6 first page, they told you that the NRC staff</p> <p>7 has reviewed your application and concluded</p> <p>8 that the supplemental information delineated in</p> <p>9 the enclosure to this letter is necessary to</p> <p>10 enable the staff to make an independent</p> <p>11 assessment regarding the acceptability of the</p> <p>12 proposed license transfer application in terms</p> <p>13 of regulatory requirements and the protection</p> <p>14 of public health and safety and the</p> <p>15 environment; do you see that?</p> <p>16 A. I do.</p> <p>17 Q. And they went on to tell you that</p> <p>18 if you did not respond within three months that</p> <p>19 the NRC would cease its review activities</p> <p>20 associated with the application, correct?</p> <p>21 A. Yes.</p> <p>22 Q. And then attached to the letter</p> <p>23 was a statement of the supplemental information</p>

William McCollum**11/13/2019**

Pages 265 to 268

Page 265	Page 267
<p>1 that was needed, correct?</p> <p>2 A. Yes.</p> <p>3 Q. And under the Part 2, which begins</p> <p>4 on page two, the last paragraph of Part 2 which</p> <p>5 is on page three of the application -- excuse</p> <p>6 me, the letter, Exhibit 84, they concluded:</p> <p>7 Based on a review of the application, the staff</p> <p>8 has concluded that ND has not provided</p> <p>9 sufficient information addressing its technical</p> <p>10 qualifications to perform the design and</p> <p>11 construction activities authorized by the CP,</p> <p>12 correct?</p> <p>13 A. Yes.</p> <p>14 MR. O'REAR: Could you direct me</p> <p>15 to where you were reading? I'm sorry, I</p> <p>16 couldn't find it.</p> <p>17 MR. LEMBKE: It's the last</p> <p>18 paragraph of Part 2 on page three of the</p> <p>19 attachment to the letter. Begins based on the</p> <p>20 review, just above Part 3.</p> <p>21 MR. O'REAR: I see it.</p> <p>22 Q. (BY MR. LEMBKE:) And you said I</p> <p>23 read that correctly?</p>	<p>1 took more than ninety days to -- so it would</p> <p>2 have been beyond early July, correct?</p> <p>3 A. That's my recollection, yes.</p> <p>4 Q. Okay. And then let me show you</p> <p>5 what I am going to mark as Exhibit 85.</p> <p>6 (Exhibit Number 85 was marked for</p> <p>7 identification.)</p> <p>8 A. (Reviewing document.)</p> <p>9 Q. And this is the letter of November</p> <p>10 5, 2019 when Mr. McCollum -- Nuclear Regulatory</p> <p>11 Commission advised you that it was going to</p> <p>12 proceed with its review of the application,</p> <p>13 correct?</p> <p>14 A. Yes.</p> <p>15 Q. And at the bottom of page one,</p> <p>16 they indicate they expect to complete the</p> <p>17 review by September 2020, correct?</p> <p>18 A. That's what they state.</p> <p>19 Q. So they are estimating essentially</p> <p>20 a ten-month period for review, right?</p> <p>21 A. That's what they say.</p> <p>22 Q. In light of the fact that the</p> <p>23 review of the construction permit transfer</p>
Page 266	Page 268
<p>1 A. Yes.</p> <p>2 Q. Okay.</p> <p>3 A. And the paragraph closes by</p> <p>4 stating: To address this issue, ND may provide</p> <p>5 additional information, et cetera.</p> <p>6 Q. All right. How long did it take</p> <p>7 ND to put together the supplemental information</p> <p>8 requested by the NRC?</p> <p>9 A. I don't know the exact period of</p> <p>10 time.</p> <p>11 Q. It was about ninety days, wasn't</p> <p>12 it?</p> <p>13 A. Perhaps.</p> <p>14 Q. Well, is it your best recollection</p> <p>15 it was around the first of July when you sent</p> <p>16 in the supplemental information?</p> <p>17 A. Yes. We requested time to put</p> <p>18 together the information that they had asked</p> <p>19 for.</p> <p>20 Q. And did you request an extension</p> <p>21 beyond the ninety days that they allowed?</p> <p>22 A. Yes.</p> <p>23 Q. All right. So Nuclear Development</p>	<p>1 application is expected to be completed by</p> <p>2 September 2020, what is the current expected</p> <p>3 construction completion date for Unit 1?</p> <p>4 A. I haven't issued a revised</p> <p>5 construction schedule, but if we received the</p> <p>6 permit and the property and issued a</p> <p>7 hundred-and-twenty-day letter, then I would</p> <p>8 expect the construction completion to occur in</p> <p>9 2027.</p> <p>10 Q. Is the hundred-and-twenty-day</p> <p>11 letter ready to go?</p> <p>12 A. Hasn't been written yet, but it is</p> <p>13 a short letter.</p> <p>14 (Whereupon, Exhibit Number 67,</p> <p>15 having been previously marked for</p> <p>16 identification, was referenced in</p> <p>17 this deposition.)</p> <p>18 Q. I'll ask you to pull out of your</p> <p>19 stack Exhibit 67.</p> <p>20 A. Okay.</p> <p>21 Q. All right. This is an email from</p> <p>22 Frank Haney to you and Jim Chardos, Franklin</p> <p>23 Haney and Larry Blust dated April 7th, 2017,</p>

William McCollum**11/13/2019**

Pages 269 to 272

Page 269	Page 271
<p>1 right?</p> <p>2 A. April 7, 2017, correct.</p> <p>3 Q. All right. And in it Frank Haney</p> <p>4 says: Jim and Bill, should we ask TVA and</p> <p>5 Southern Company to do transition study or a</p> <p>6 preliminary one to make sure we can wield the</p> <p>7 power to whatever area we want on existing</p> <p>8 lines? We want to confirm we can actually sell</p> <p>9 the power to whomever wants to buy it.</p> <p>10 Thoughts?</p> <p>11 That's what he said, right?</p> <p>12 A. That's correct.</p> <p>13 Q. Did you respond to this email?</p> <p>14 A. Yes.</p> <p>15 Q. And how did you respond?</p> <p>16 A. So I responded verbally telling</p> <p>17 Frank that what he meant in here was not a</p> <p>18 transition study, that he was referring to a</p> <p>19 transmission study to obtain firm transmission</p> <p>20 rights. And I told him that to request firm</p> <p>21 transmission rights, we would need to specify a</p> <p>22 source and a sync for the power and so it would</p> <p>23 be -- we shouldn't try to request a firm</p>	<p>1 Q. (BY MR. LEMBKE:) All right. What</p> <p>2 is the basis of that understanding?</p> <p>3 A. That TVA accepts FERC jurisdiction</p> <p>4 and FERC's open access policy requirements.</p> <p>5 And so if Nuclear Development were to request</p> <p>6 firm transmission rights across TVA lines to</p> <p>7 take the power outside of TVA territory, they</p> <p>8 would be legally required to perform a study</p> <p>9 and give us firm transmission rights subject to</p> <p>10 the payment of the costs incurred.</p> <p>11 Q. Did you ever research whether</p> <p>12 there is any federal statute that expressly</p> <p>13 addresses TVA's obligation in this regard?</p> <p>14 MR. O'REAR: Same objections I</p> <p>15 made earlier about legal conclusion.</p> <p>16 MR. LEMBKE: This question was has</p> <p>17 he ever done any research.</p> <p>18 A. Yes.</p> <p>19 Q. (BY MR. LEMBKE:) Personally?</p> <p>20 A. Yes.</p> <p>21 Q. And what did you research?</p> <p>22 A. So I read the TVA Act as amended,</p> <p>23 the Federal Power Act, and some previous legal</p>
Page 270	Page 272
<p>1 transmission rights until we had a definite</p> <p>2 off-taker for the power.</p> <p>3 Q. And by off-taker, you mean someone</p> <p>4 to buy it?</p> <p>5 A. Someone to purchase the power.</p> <p>6 Q. All right. And it's true, is it</p> <p>7 not, that TVA as a matter of law has no</p> <p>8 obligation to transmit Nuclear Development's</p> <p>9 power from Bellefonte over TVA lines?</p> <p>10 MR. O'REAR: Objection to the</p> <p>11 extent it calls for legal conclusion.</p> <p>12 Q. (BY MR. LEMBKE:) You can answer.</p> <p>13 A. I don't --</p> <p>14 MR. O'REAR: You can answer</p> <p>15 whatever your understanding is.</p> <p>16 A. I don't believe that to be</p> <p>17 correct.</p> <p>18 Q. (BY MR. LEMBKE:) Do you -- so it</p> <p>19 is your understanding that TVA is obligated to</p> <p>20 transmit Nuclear Development power from</p> <p>21 Bellefonte over TVA lines?</p> <p>22 MR. O'REAR: Same objection.</p> <p>23 A. Yes, that is my understanding.</p>	<p>1 cases involving TVA transmission rights.</p> <p>2 Q. And do you recall what any of</p> <p>3 those legal cases were?</p> <p>4 A. Not at this time.</p> <p>5 Q. And when did you do this research?</p> <p>6 A. Early 2018, late 2017, somewhere</p> <p>7 in that time frame.</p> <p>8 Q. When you were the chief operating</p> <p>9 officer of TVA, did you have any responsibility</p> <p>10 for transmission of power?</p> <p>11 A. I was responsible for the</p> <p>12 operation and maintenance of the TVA</p> <p>13 transmission system.</p> <p>14 Q. Let me show you what I am going to</p> <p>15 mark as Exhibit 86.</p> <p>16 (Exhibit Number 86 was marked for</p> <p>17 identification.)</p> <p>18 Q. This is an exchange of emails</p> <p>19 between you and Billy Gleaves in November 2017,</p> <p>20 correct?</p> <p>21 A. Yes.</p> <p>22 Q. And what is -- Mr. Gleaves' email</p> <p>23 to you of November 8, 2017 refers to SRI and</p>

William McCollum**11/13/2019**

Pages 273 to 276

Page 273	Page 275
<p>1 SGI information; do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. What is SRI information?</p> <p>4 A. I can't recall those acronyms</p> <p>5 right now.</p> <p>6 Q. Do you know what SGI information</p> <p>7 is?</p> <p>8 A. I believe it refers to safeguards</p> <p>9 information, and my guess would be that SRI</p> <p>10 refers to security related information.</p> <p>11 Q. Okay. And Mr. Gleaves was talking</p> <p>12 to you -- he said he was following up on a</p> <p>13 discussion about setting up a system for</p> <p>14 storing, handling and transmitting sensitive,</p> <p>15 unclassified security-related and safeguards</p> <p>16 information; do you see that?</p> <p>17 A. I do.</p> <p>18 Q. Do you recall that conversation?</p> <p>19 A. I do.</p> <p>20 Q. And what do you recall about it?</p> <p>21 A. Well, he was interested in</p> <p>22 beginning to discuss how this would be taken</p> <p>23 care of. And it was pretty early for us to get</p>	<p>1 early this year.</p> <p>2 Q. And you also said in your</p> <p>3 response: Obviously something totally new for</p> <p>4 us and a long process to get started on here.</p> <p>5 Right?</p> <p>6 A. Correct.</p> <p>7 Q. And you had had no experience in</p> <p>8 working with this type of information in the</p> <p>9 past?</p> <p>10 A. Oh, yes, I had responsibilities</p> <p>11 for working with this information when I was</p> <p>12 with Duke Energy and also at TVA.</p> <p>13 Q. So when you said totally new for</p> <p>14 us, you meant for Nuclear Development, not for</p> <p>15 you?</p> <p>16 A. Correct.</p> <p>17 Q. All right. What has been your</p> <p>18 involvement in the efforts to obtain the DOE</p> <p>19 loan?</p> <p>20 A. I have helped to put together</p> <p>21 technical information on the project that went</p> <p>22 in the application and participated in some</p> <p>23 meetings with DOE staff where the application</p>
Page 274	Page 276
<p>1 started on this because the requirements for</p> <p>2 nuclear security -- meeting nuclear security</p> <p>3 regulations would not really come into play</p> <p>4 until toward the end of construction when you</p> <p>5 get ready to bring special nuclear materials on</p> <p>6 to the property. But Billy was interested in</p> <p>7 getting started and talking about how you would</p> <p>8 set up those procedures, requirements, places</p> <p>9 for storing, and particularly encrypted</p> <p>10 transfer of the electronic information.</p> <p>11 Q. And you responded to him on the</p> <p>12 same day saying, I will review and discuss more</p> <p>13 with you. Right?</p> <p>14 A. Yes.</p> <p>15 Q. Did you have further discussions</p> <p>16 with him about it?</p> <p>17 A. Yes, that's what I was just</p> <p>18 referring to is the discussions I had with him</p> <p>19 after this email exchange.</p> <p>20 Q. All right. And when was the last</p> <p>21 time you had a discussion with him about this</p> <p>22 topic?</p> <p>23 A. About this topic? It has been</p>	<p>1 was discussed. My role in those meetings was</p> <p>2 to answer any questions about construction,</p> <p>3 construction completion of the facility.</p> <p>4 Q. When was the last time you met</p> <p>5 with DOE officials relating to the loan</p> <p>6 application?</p> <p>7 A. Related to the loan application,</p> <p>8 it has been quite some time ago.</p> <p>9 Q. When was the last time you met</p> <p>10 with DOE officials related in any way to</p> <p>11 Nuclear Development?</p> <p>12 A. That would have been earlier this</p> <p>13 year.</p> <p>14 Q. And what was the topic?</p> <p>15 A. Well, the topic -- the topic was</p> <p>16 generally the transitions that were occurring,</p> <p>17 that have occurred within the DOE organization,</p> <p>18 and what impact that might have in the Loan</p> <p>19 Program Office.</p> <p>20 Q. Have you ever attended a meeting</p> <p>21 with Bill Johnson relating to Nuclear</p> <p>22 Development?</p> <p>23 A. I have attended meetings where</p>

William McCollum**11/13/2019**

Pages 277 to 280

Page 277	Page 279
<p>1 Bill Johnson was present and I was present and</p> <p>2 I was there on behalf of Nuclear Development.</p> <p>3 Q. Well, what sort of meetings are</p> <p>4 you talking about?</p> <p>5 A. First one that comes to mind is</p> <p>6 there was a meeting held in Knoxville,</p> <p>7 Tennessee where the Tennessee senators at the</p> <p>8 time were there and there was discussion about</p> <p>9 the Bellefonte project. Mr. Johnson and the</p> <p>10 Chief Financial Officer of TVA were there, I</p> <p>11 was there, as were a number of other people.</p> <p>12 Q. When was that?</p> <p>13 A. You are really testing my memory.</p> <p>14 It has been a long time ago, I can't remember</p> <p>15 exactly when.</p> <p>16 Q. It was before TVA's Board decided</p> <p>17 to declare Bellefonte as surplus property,</p> <p>18 right?</p> <p>19 A. I believe that's correct.</p> <p>20 Q. All right. Do you remember what</p> <p>21 Mr. Johnson said at that meeting?</p> <p>22 A. No, I don't recall all that he</p> <p>23 said.</p>	<p>1 you were on with -- in which Bill Johnson was a</p> <p>2 participant pertaining to Nuclear Development</p> <p>3 or Bellefonte?</p> <p>4 A. Not that I was on.</p> <p>5 Q. What about phone calls that Ms.</p> <p>6 Quirk was on pertaining to Nuclear Development</p> <p>7 or Bellefonte?</p> <p>8 A. I don't recall any that I was on.</p> <p>9 Q. Did you ever attend any meetings</p> <p>10 where Cliff Beach of TVA was in attendance</p> <p>11 related to Bellefonte or Nuclear Development?</p> <p>12 A. My memory is fuzzy on this meeting</p> <p>13 in Knoxville that I referred to with TVA</p> <p>14 personnel because it happened a long time ago.</p> <p>15 Cliff may have been in attendance at that</p> <p>16 meeting, I'm not certain.</p> <p>17 Q. What was that meeting about?</p> <p>18 A. It was just to discuss -- it was</p> <p>19 just to discuss in general Bellefonte and the</p> <p>20 potential for what might be done with</p> <p>21 Bellefonte.</p> <p>22 Q. Was it before or after the</p> <p>23 Tennessee Valley Authority Board had declared</p>
Page 278	Page 280
<p>1 Q. Do you recall anything that he</p> <p>2 said?</p> <p>3 A. Not really.</p> <p>4 Q. And have you been in attendance at</p> <p>5 any other meeting pertaining to Bellefonte or</p> <p>6 Nuclear Development at which Mr. Johnson was in</p> <p>7 attendance?</p> <p>8 A. Not recently that I can recall.</p> <p>9 Q. Well, other than that one time, do</p> <p>10 you ever recall such a meeting?</p> <p>11 A. We had another meeting in</p> <p>12 Knoxville with TVA personnel. It has been some</p> <p>13 time ago, and I don't believe Mr. Johnson was</p> <p>14 in attendance.</p> <p>15 Q. All right. Have you ever attended</p> <p>16 a meeting with Sherry -- about Bellefonte or</p> <p>17 Nuclear Development where Sherry Quirk was in</p> <p>18 attendance?</p> <p>19 A. Yes, in the office of Governor</p> <p>20 Bentley in Alabama.</p> <p>21 Q. Other than that?</p> <p>22 A. I don't recall any.</p> <p>23 Q. Do you recall any phone calls that</p>	<p>1 Bellefonte to be surplus property?</p> <p>2 A. My best --</p> <p>3 MR. O'REAR: Objection. Asked and</p> <p>4 answered.</p> <p>5 A. My best recollection, it was</p> <p>6 before.</p> <p>7 Q. (BY MR. LEMBKE:) Okay. Have you</p> <p>8 ever been on any phone calls relating to</p> <p>9 Bellefonte or Nuclear Development that Mr.</p> <p>10 Beach participated in that you can recall?</p> <p>11 A. Not that I recall.</p> <p>12 Q. Have you ever been in any meetings</p> <p>13 with Chris Chandler of TVA relating to</p> <p>14 Bellefonte or Nuclear Development?</p> <p>15 A. Not that I'm aware.</p> <p>16 Q. What about phone calls with Mr.</p> <p>17 Chandler on the same topics?</p> <p>18 A. Not that I recall.</p> <p>19 MR. LEMBKE: Let's take a short</p> <p>20 break.</p> <p>21 MR. O'REAR: Okay.</p> <p>22 THE VIDEOGRAPHER: We are off the</p> <p>23 record at 2:14 p.m.</p>

William McCollum**11/13/2019**

Pages 281 to 284

Page 281	Page 283
<p>1 (Whereupon, a break was had from 2 2:14 p.m. until 2:21 p.m.) 3 THE VIDEOGRAPHER: We are back on 4 the record at 2:21 p.m. 5 Q. (BY MR. LEMBKE:) Mr. McCollum, 6 did you participate in any discussions with TVA 7 personnel about potential legal problems with 8 closing the transaction? 9 A. Not that I can recall. 10 Q. And when did you first learn that 11 there were potential legal issues related -- 12 being raised by TVA related to closing the sale 13 of Bellefonte? 14 A. Sometime mid to late November of 15 2018. 16 Q. At any point did you participate 17 in any discussions with NRC personnel about 18 whether the closing could occur without the NRC 19 having approved transfer of the construction 20 permits? 21 A. I did not. 22 Q. Now, do you recall a presentation 23 you made to a committee of the Memphis City</p>	<p>1 start-up phase to get the unit into an 2 operation is an additional year, for a total of 3 six years. 4 Q. I see. And you believed when you 5 said that that that was realistic? 6 A. I believed it was aggressive but 7 realistic. 8 Q. Did you tell the Memphis City 9 Council committee that it was aggressive? 10 A. No, I don't believe I used that 11 word. 12 Q. And you were certainly aware when 13 you made that representation that many nuclear 14 plant projects in recent years have encountered 15 significant delays, correct? 16 A. Yes. 17 Q. Now, you met with the Memphis City 18 Council or committee thereof last week, didn't 19 you? 20 A. Yes. 21 Q. And did you tell them when the 22 plant would be -- Unit 1 would be constructed? 23 A. I'm sorry. The group that I met</p>
Page 282	Page 284
<p>1 Council in October 2018? 2 A. I do. 3 Q. And do you recall telling that 4 committee that the Unit 1 at Bellefonte would 5 be constructed in five years? 6 A. Yes. 7 Q. And you knew at the time you said 8 that that that was not likely to happen, 9 correct? 10 A. That's not correct. I believed at 11 the time that I said that that the construction 12 -- active construction work could be completed 13 in a five-year period of time. 14 Q. Well, earlier today we looked at 15 the punch list and you said -- from August of 16 2018, and you testified that at that time you 17 believed that the construction target date was 18 six years from then; do you recall that? 19 A. Yes, those are two different 20 things. So in the schedule that we looked at, 21 the active construction period is five years. 22 From the end of active construction going 23 through the start-up phase -- testing and</p>	<p>1 with last week was a Power Supply Advisory Team 2 that has been put together by the mayor of the 3 City of Memphis, not -- there is a county 4 council member on that group and maybe a city 5 council member, but it was not a part of the 6 city council. 7 Q. Before I get to that, let me ask 8 you, since your presentation to the Memphis 9 City Council in October 2018 when you told them 10 that Unit 1 would be constructed in five 11 years -- 12 First, let me say, weren't you 13 indicating to them that that's when the power 14 would be available, in five years? 15 A. I didn't believe that's what I was 16 indicating to them. 17 Q. You certainly didn't make clear to 18 them that the -- well, so you are saying when 19 you told them it would be built in five years, 20 you were not meaning to indicate to them that 21 the power would be available in five years? 22 A. I don't believe so. 23 Q. Have you gone back and watched the</p>

William McCollum**11/13/2019**

Pages 285 to 288

Page 285	Page 287
<p>1 videotape of your presentation from October of</p> <p>2 2018 to the Memphis City Council?</p> <p>3 A. No.</p> <p>4 Q. Isn't it fair to say that what you</p> <p>5 were telling them is you would have power</p> <p>6 available to them and they could begin</p> <p>7 receiving it in five years time from Nuclear</p> <p>8 Development?</p> <p>9 A. What I was attempting to convey to</p> <p>10 them was that by the end of a five-year notice</p> <p>11 period, which Memphis has not provided to TVA,</p> <p>12 that when they would get to the point of</p> <p>13 providing notice and then at the end of the</p> <p>14 subsequent five-year period that I believe they</p> <p>15 would be able to get power.</p> <p>16 Q. Do you recall making that sort of</p> <p>17 nuance representation about what your five-year</p> <p>18 period statement meant?</p> <p>19 A. No, because the purpose in the</p> <p>20 presentation that you are referring to was for</p> <p>21 me to explain the results of the ICF study that</p> <p>22 had been performed to look at the potential</p> <p>23 savings for Memphis, and so that was the main</p>	<p>1 correct?</p> <p>2 A. Well, at this time today, that</p> <p>3 would be in doubt.</p> <p>4 Q. In fact, you testified a few</p> <p>5 minutes ago that you thought the likely</p> <p>6 completion date, if the construction permits</p> <p>7 are authorized for transfer in September 2020,</p> <p>8 would be 2027, right?</p> <p>9 A. Yes.</p> <p>10 Q. Have you told anyone associated</p> <p>11 with Memphis that date?</p> <p>12 A. No.</p> <p>13 Q. And you didn't tell them that last</p> <p>14 week, did you, the group you spoke to in</p> <p>15 Memphis?</p> <p>16 A. No. And, again, that wasn't my</p> <p>17 purpose for being there.</p> <p>18 Q. What was the group you spoke to</p> <p>19 last week in Memphis?</p> <p>20 A. The Power Supply Advisory Team --</p> <p>21 Q. And what is that?</p> <p>22 A. -- if I recall. It's a team that</p> <p>23 the mayor of Memphis has assembled of</p>
Page 286	Page 288
<p>1 topic I was trying to address.</p> <p>2 Q. What is the ICF study?</p> <p>3 A. ICF is a consulting firm.</p> <p>4 Q. Hired by Nuclear Development?</p> <p>5 A. Uh-huh, yes, to perform a study</p> <p>6 related to our loan application at the</p> <p>7 Department of Energy.</p> <p>8 Q. Now, at any point since you made</p> <p>9 the statement about the five-year period of</p> <p>10 construction to the committee of the Memphis</p> <p>11 City Council in October of 2018 have you</p> <p>12 informed anyone associated with Memphis or MLGW</p> <p>13 that it is going to be longer than that now?</p> <p>14 A. No.</p> <p>15 Q. But you would agree it will be</p> <p>16 longer than that now, right?</p> <p>17 A. Well, longer than what?</p> <p>18 Q. The five-year period. I mean --</p> <p>19 you were indicating -- weren't you indicating</p> <p>20 last year, in October of 2018, that the plant</p> <p>21 would be constructed in 2023?</p> <p>22 A. 2024.</p> <p>23 Q. 2024. That's no longer realistic,</p>	<p>1 stakeholders from the Memphis and Shelby County</p> <p>2 area to consider whether they would recommend</p> <p>3 that Memphis leave TVA and pursue getting power</p> <p>4 from somewhere else.</p> <p>5 Q. And did you speak at the meeting</p> <p>6 last week?</p> <p>7 A. Yes.</p> <p>8 Q. And what did you say?</p> <p>9 A. I went over -- there was a</p> <p>10 representative from ICF there, he covered in</p> <p>11 brief the results of their study and the</p> <p>12 financial potential savings for the City of</p> <p>13 Memphis. And I wrapped up the presentation</p> <p>14 after he spoke about their report to just hit</p> <p>15 the high points of why it would be beneficial</p> <p>16 for Memphis to consider making a change.</p> <p>17 Q. And what were those high points</p> <p>18 that you hit?</p> <p>19 A. That they have ready access to the</p> <p>20 Midcontinent Independent System Operator grid,</p> <p>21 that the transmission studies have shown that</p> <p>22 access to that grid is feasible and connections</p> <p>23 can be strengthened and made at a reasonable</p>

William McCollum**11/13/2019**

Pages 289 to 292

Page 289	Page 291
<p>1 cost, and that the power prices within the MISO</p> <p>2 system are significantly lower than the prices</p> <p>3 being charged to Memphis by TVA, and that the</p> <p>4 potential savings on their current one billion</p> <p>5 dollar a year power bill amount to several</p> <p>6 hundred million dollars a year.</p> <p>7 Q. And what -- when you say that,</p> <p>8 what rate do you believe MISO is charging on a</p> <p>9 per megawatt hour basis?</p> <p>10 A. It's publicly available</p> <p>11 information. You can go to MISOEnergy.org, go</p> <p>12 to their realtime power displays, and you can</p> <p>13 see the realtime power prices up at Arkansas</p> <p>14 hub which is the closest one to Memphis. Most</p> <p>15 of the times that I have looked at that, they</p> <p>16 run in the mid to upper twenty dollar per</p> <p>17 megawatt hour range as opposed to the</p> <p>18 seventy-four to seventy-five dollars that</p> <p>19 Memphis pays today.</p> <p>20 Q. Well, you know, you keep saying --</p> <p>21 you have said that to Memphis publicly the</p> <p>22 seventy-five dollar per megawatt hour. What is</p> <p>23 the basis for your statement that TVA is</p>	<p>1 Kitchens with Joe Wheeler Cooperative. And I</p> <p>2 cannot remember the name of the fellow at the</p> <p>3 Chattanooga Electric Power Board right now.</p> <p>4 Q. Did you ever ask anyone at MLGW</p> <p>5 what they are paying TVA?</p> <p>6 A. Yes.</p> <p>7 Q. Who did you ask?</p> <p>8 A. J. T. Young and, at a different</p> <p>9 point in time, Alonzo Weaver.</p> <p>10 Q. And what did they tell you?</p> <p>11 A. They declined to provide</p> <p>12 specifics. However, after Bill Johnson spoke</p> <p>13 to the city council and represented that TVA</p> <p>14 was charging around sixty-five dollars or 6.5</p> <p>15 cents a kilowatt hour, representatives from</p> <p>16 MLGW clarified to the Memphis Press the</p> <p>17 following day that the cost was closer to</p> <p>18 seventy dollars a megawatt hour.</p> <p>19 Q. Now, in October of 2018, you told</p> <p>20 Memphis that Nuclear Development would sell</p> <p>21 them power at thirty-nine dollars per megawatt</p> <p>22 hour?</p> <p>23 A. That's the offer we made, yes.</p>
Page 290	Page 292
<p>1 charging Memphis seventy-five dollars per</p> <p>2 megawatt hour?</p> <p>3 A. Because we have been told by</p> <p>4 people associated with several of the TVA</p> <p>5 distributors that that's approximately what TVA</p> <p>6 charges when you count the all-in costs. Plus,</p> <p>7 if you go to TVA's 10-K that is filed with the</p> <p>8 SEC, which is certified to be true and correct</p> <p>9 information, if you take the amount of power</p> <p>10 that is sold by TVA and you divide that into</p> <p>11 the revenue from power sales, you get a figure</p> <p>12 of approximately seventy-four dollars a</p> <p>13 megawatt hour.</p> <p>14 Q. Now, who are these people who told</p> <p>15 you that it's seventy-five dollars per megawatt</p> <p>16 hour?</p> <p>17 A. People associated with some of the</p> <p>18 various distributors that we discussed</p> <p>19 yesterday.</p> <p>20 Q. And what are their names?</p> <p>21 A. Rody Blevins with Volunteer</p> <p>22 Electric Co-op. You are going to have to give</p> <p>23 me a second to remember the names. George</p>	<p>1 Q. Was that going to be a firm price?</p> <p>2 A. It was going to be firm subject to</p> <p>3 the -- any potential later increases in</p> <p>4 operating and maintenance -- plant operating</p> <p>5 and maintenance or transmission costs.</p> <p>6 (Whereupon, Exhibit Number 65,</p> <p>7 having been previously marked for</p> <p>8 identification, was referenced in</p> <p>9 this deposition.)</p> <p>10 Q. Would you pull out what has been</p> <p>11 previously marked as Exhibit 65?</p> <p>12 Before we get to that, in your</p> <p>13 presentation to the Memphis City Council in</p> <p>14 October of 2018 you didn't tell them that it</p> <p>15 was subject -- the price was subject to</p> <p>16 increases due to -- if there were -- the price</p> <p>17 was subject to change subject to increases in</p> <p>18 operating and maintenance costs, did you?</p> <p>19 A. I don't recall whether I did or</p> <p>20 didn't tell them that.</p> <p>21 Q. All right. Now, let me give you a</p> <p>22 moment to look at 65. You may want to start at</p> <p>23 the back and work your way forward through the</p>

William McCollum

11/13/2019

Pages 293 to 296

Page 293	Page 295
<p>1 chain of emails.</p> <p>2 A. (Reviewing document.)</p> <p>3 Q. This is a chain of emails that</p> <p>4 ultimately you were added to, it looks like on</p> <p>5 the second page the email of July 31st from</p> <p>6 Franklin Haney where he was adding you to this</p> <p>7 email group; do you see that?</p> <p>8 A. I do.</p> <p>9 Q. And did you read the emails that</p> <p>10 had gone before it when you got this?</p> <p>11 A. Yes.</p> <p>12 Q. All right. And so the email at</p> <p>13 the bottom of the second page of Exhibit 65 is</p> <p>14 an email from Frank Haney dated July 31st,</p> <p>15 correct?</p> <p>16 A. Yes.</p> <p>17 Q. And in it on the next page of the</p> <p>18 exhibit, he has a breakdown for the budget for</p> <p>19 the thirty-nine dollars per megawatt hour</p> <p>20 price, correct?</p> <p>21 A. Yes.</p> <p>22 Q. And after that he says: I</p> <p>23 understand that this is not a detailed budget,</p>	<p>1 the PPA increases to cover all costs including</p> <p>2 capital and operating above floor set above.</p> <p>3 Do you see that?</p> <p>4 A. I do see that sentence.</p> <p>5 Q. And you did not disagree with</p> <p>6 that, did you?</p> <p>7 A. What he says there is not my</p> <p>8 understanding of the offer that we were making.</p> <p>9 My understanding was that it would include</p> <p>10 operating and maintenance expenses above what's</p> <p>11 assumed in the offer but not capital.</p> <p>12 Q. And by that do you mean that if</p> <p>13 the operating expenses part of this budget were</p> <p>14 to go up, then the price would go up, correct?</p> <p>15 A. If it went up above what we built</p> <p>16 into the thirty-nine dollar price, correct.</p> <p>17 Q. And is this what was built into</p> <p>18 the thirty-nine dollar price?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. And you represented to</p> <p>21 Memphis that there would be a four hundred and</p> <p>22 eighty-seven million dollar per year savings on</p> <p>23 average over time if they entered into a</p>
Page 294	Page 296
<p>1 but the overall numbers are what Credit Suisse</p> <p>2 came up with when we went to the credit</p> <p>3 agencies way back when. Do you see that?</p> <p>4 A. I do.</p> <p>5 Q. Do you have any basis to disagree</p> <p>6 with that statement?</p> <p>7 A. The statement that the overall</p> <p>8 numbers are what Credit Suisse came up with, so</p> <p>9 forth?</p> <p>10 Q. That this is not a detailed budget</p> <p>11 but the overall numbers are what Credit Suisse</p> <p>12 came up with when Nuclear Development went to</p> <p>13 the rating agencies way back when.</p> <p>14 A. I don't disagree with that</p> <p>15 statement.</p> <p>16 Q. All right. And then it says: The</p> <p>17 PPA we have structured is important because it</p> <p>18 as a triple net lease. Do you know what that</p> <p>19 meant?</p> <p>20 A. I'm not certain what he meant by</p> <p>21 that.</p> <p>22 Q. And then he says: Meaning</p> <p>23 whatever the O&M charge is on any given year,</p>	<p>1 purchase agreement with Nuclear Development,</p> <p>2 right?</p> <p>3 A. Again, I was presenting the</p> <p>4 results of the ICF study, so that's correct.</p> <p>5 Q. And the four hundred and</p> <p>6 eighty-seven million dollar per year savings</p> <p>7 figure was based on an assumption that the</p> <p>8 thirty-nine dollar price would not change over</p> <p>9 time, correct?</p> <p>10 A. I'm not sure. I would have to go</p> <p>11 back to the ICF study to look at the details of</p> <p>12 the assumptions they made.</p> <p>13 Q. Do you recall them building in any</p> <p>14 inflation factor?</p> <p>15 A. I recall that they built in</p> <p>16 assumed escalation factors for a number of the</p> <p>17 things in their financial analysis. I just</p> <p>18 don't recall whether that was one of them.</p> <p>19 Q. All right. Are you aware of any</p> <p>20 electricity provider in the country the size of</p> <p>21 MLGW that relies on one plant for eighty</p> <p>22 percent of its needs?</p> <p>23 MR. O'REAR: Wait a minute. You</p>

William McCollum**11/13/2019**

Pages 297 to 300

Page 297	Page 299
<p>1 -- withdraw.</p> <p>2 MR. BLUST: Any? Did you say any?</p> <p>3 I couldn't understand what you said.</p> <p>4 MR. O'REAR: You said provider?</p> <p>5 MR. LEMBKE: Yes.</p> <p>6 MR. O'REAR: Referring to Memphis?</p> <p>7 MR. LEMBKE: Yes.</p> <p>8 MR. BLUST: But you said any</p> <p>9 provider?</p> <p>10 Q. (BY MR. LEMBKE:) I said are you</p> <p>11 aware of any service provider in the country</p> <p>12 the size of MLGW --</p> <p>13 MR. BLUST: Oh, size. Okay.</p> <p>14 Q. (BY MR. LEMBKE:) -- that relies</p> <p>15 on one plant for eighty percent of its needs?</p> <p>16 A. No, but I haven't done an</p> <p>17 extensive review of all of the municipal</p> <p>18 utilities.</p> <p>19 Q. And the four hundred and</p> <p>20 eighty-seven million dollar per year savings</p> <p>21 figure that you presented to Memphis was an</p> <p>22 estimate, not a guarantee, correct?</p> <p>23 A. Again, I was presenting the</p>	<p>1 Q. And you also told the Memphis City</p> <p>2 Council that there was a risk that Congress</p> <p>3 would not appropriate the funds for the program</p> <p>4 if Memphis waited too long to send the letter,</p> <p>5 correct?</p> <p>6 A. Yes, there is always a risk that</p> <p>7 Congress could delete those funds from the</p> <p>8 budget.</p> <p>9 Q. But that hasn't happened, has it?</p> <p>10 A. It has not.</p> <p>11 Q. And did Memphis -- or did MLGW</p> <p>12 ever send an updated Letter of Intent?</p> <p>13 A. No.</p> <p>14 Q. But if that's true and DOE</p> <p>15 indicated they wanted it, why are you</p> <p>16 optimistic that DOE is going to approve the</p> <p>17 loan application?</p> <p>18 A. Well, because subsequent to that</p> <p>19 they -- the DOE staff has seemed not as</p> <p>20 concerned about that as they were at one point</p> <p>21 in time.</p> <p>22 Q. Did you inform Memphis that those</p> <p>23 circumstances had changed?</p>
Page 298	Page 300
<p>1 results of the ICF study. So the figures that</p> <p>2 I gave were the figures from their study, not</p> <p>3 -- those were not guaranteed numbers.</p> <p>4 Q. Do you recall making clear to the</p> <p>5 committee of the Memphis City Council that all</p> <p>6 you were doing was reporting the results of the</p> <p>7 ICF study?</p> <p>8 A. I referenced the ICF study</p> <p>9 numerous times.</p> <p>10 Q. Now, during your presentation to</p> <p>11 Memphis City Council in October of '18, you</p> <p>12 were urging them to execute -- were you urging</p> <p>13 that MLGW execute a new Letter of Intent,</p> <p>14 correct?</p> <p>15 A. Oh, yes. Yes.</p> <p>16 Q. And you stated to the Memphis City</p> <p>17 Council in October of 2018 that it was</p> <p>18 important that MLGW do that because without it,</p> <p>19 the DOE would not make a loan commitment,</p> <p>20 right?</p> <p>21 A. That was based on communications</p> <p>22 that we had had with DOE staff indicating that</p> <p>23 they wanted an updated Letter of Intent.</p>	<p>1 A. No, because we haven't had any</p> <p>2 further discussions about a Letter of Intent.</p> <p>3 Q. All right. So after your</p> <p>4 presentation at the committee meeting of the</p> <p>5 Memphis City Council in October 2018, you have</p> <p>6 had no further communications with anyone</p> <p>7 associated with Memphis asking -- or urging</p> <p>8 them to provide an updated Letter of Intent?</p> <p>9 A. Not that I can recall.</p> <p>10 Q. Since October of 2018, have you</p> <p>11 had further communications with representatives</p> <p>12 of Memphis?</p> <p>13 A. Yes.</p> <p>14 Q. And the topic of the updated</p> <p>15 Letter of Intent just never came up?</p> <p>16 A. Correct.</p> <p>17 Q. Do you recall the head of MLGW</p> <p>18 after you spoke in October of '18 said that the</p> <p>19 amount of power output that was contemplated</p> <p>20 for Bellefonte could be achieved for much less</p> <p>21 in terms of capital investment at other types</p> <p>22 of plants, do you recall him saying that?</p> <p>23 A. Yes.</p>

William McCollum

11/13/2019

Pages 301 to 302

Page 301

1 Q. Do you agree with that statement?

2 A. Yes.

3 MR. LEMBKE: I don't have any
4 further questions at this time.

5 MR. O'REAR: No questions.

6 MR. LEMBKE: Thank you, Mr.
7 McCollum.

8 A. Thank you.

9 THE VIDEOGRAPHER: This marks the
10 end of deposition of William R. McCollum. We
11 are off the record at 2:46 p.m.

12

13 (Deposition concluded at 2:46 p.m.)

14

15 FURTHER THE DEPONENT SAITH NOT

16

17

18

19

20

21

22

23

Page 302

1 C E R T I F I C A T E

2

3 S T A T E O F A L A B A M A

4 J E F F E R S O N C O U N T Y

5

6 I hereby certify that the above
7 and foregoing deposition was taken down by me
8 in stenotypy, and the questions and answers
9 thereto were reduced to typewriting under my
10 supervision, and that the foregoing represents
11 a true and correct transcript of the deposition
12 given by said witness upon said hearing.

13 I further certify that I am
14 neither of counsel nor of kin to the parties to
15 the action, nor am I in anywise interested in
16 the result of said cause.

17

18

19

20 /s/ Gail B. Pritchett

21 COMMISSIONER-NOTARY PUBLIC

22 ACCR LICENSE NO. 116, Exp. 9/30/2020

23 Transcript Certified On 11/25/2019

William McCollum**11/13/2019**

Page 303

A	active 139:1,13 139:22 170:3 178:11,15,20 179:1 261:19 282:12,21,22	advanced 139:7 advice 118:14 237:10 239:8 240:14 241:5	186:22 187:3 187:13 188:13 189:22 190:13	196:7,15 213:21 238:23 270:12,14 276:2
a.m 96:1,11 151:14,16,16 151:18 163:10 163:12,12,14	activities 121:23 170:3,19 171:2 172:4 187:6 220:7 245:8,13 245:16 246:4,8 246:14,16,22 247:7,12 248:3 248:14,19,23 249:14 264:19 265:11	advised 224:10 267:11 Advisory 284:1 287:20 Affairs/Licens... 223:7	Alabama 89:2 89:16 90:10 91:9 202:21,23 203:4 278:20 302:3	answered 106:13 108:14 173:4 176:13 280:4
abeyance 139:18	ability 101:5 125:2	affirm 231:22 affirmation 199:11 231:18 240:18 241:2	aligned 215:6,13 alignment 217:12,17	answering 123:17 175:22 176:3
able 101:9 134:23 258:19 258:20 285:15	absolute 115:10	agencies 294:3 294:13	all-in 290:6 allow 100:1 250:23	answers 302:8 anxious 217:7 anybody 112:7 anymore 112:8 anytime 113:12 anywise 302:15
accelerated 173:11	accelerating 177:5	affirmatively 157:12	allowed 266:21 alluded 228:14 228:17	apologize 263:20
acceptability 264:11	acceptance 262:18	aggressive 183:3 220:22 283:6,9	Alonzo 291:9	appears 113:23 186:19 202:1 256:14
accepts 271:3	access 99:22 100:10 103:21 271:4 288:19 288:22	ago 107:6 108:15 113:10 157:5 205:21 276:8 277:14 278:13 279:14 287:5	ambiguous 111:3 amend 255:7 amended 197:12 201:3,4 271:22	applicable 201:5 applicant 218:23 252:18 252:22 253:5 253:10 262:3,4
ACCR 302:22	adding 293:6	agree 115:3,17 115:21 119:17 213:13 217:6 218:9 263:7,18 286:15 301:1	amendment 198:5,16,20 199:5 200:11 201:3,23 202:7 255:13,23 256:2,11	application 95:16 96:23 97:9,10,11,16 97:19 98:11,15 98:22 99:2 100:17 101:2,5 101:9,18 102:2 102:4,21,23 103:4,9,14 104:7,8,10,15 104:22 105:4 105:16 106:2,5 106:7,18 107:9 107:17,19 108:4,10 109:5 109:7,15,20,21 123:13,20,22 124:4,11,14,14 124:20 126:7
accurate 237:4	addition 138:19	agreed 121:16 161:2,6 213:5	amendments 199:9 251:16 251:22 252:8 255:6,20 256:3 258:13 262:1	
achieve 177:5	additional 221:1 225:12 262:11 262:17 263:4 266:5 283:2	agreeing 135:22	amount 289:5 290:9 300:19	
achieved 300:20	address 164:21 247:22 266:4 286:1	agreement 100:5 103:22 201:4 224:11 230:7 248:21 249:7 296:1	analysis 135:4,4 296:17	
acknowledge 205:17	addressed 207:8	ahead 141:8 167:1 179:20 193:22	and/or 197:18	
acquisition 141:18	addresses 271:13	akin 228:12	answer 109:11 111:3 133:1 158:14,22 159:1,4,21 163:16 171:18 173:5,21 175:19,20	
acronyms 273:4	addressing 265:9	Akstulewicz 183:11,14 184:7 186:15		
act 119:20 197:12 234:8 250:8 254:7,14 271:22,23	adequately 193:19,22			
acted 117:21	administrative 251:16 255:6 256:3			
action 89:4 115:11 221:2 235:5 242:13 244:7 302:15	adopt 199:14 205:11			
actions 115:6 219:21	adopts 199:7 advance 139:6			

William McCollum**11/13/2019**

Page 304

126:13,15	250:16 254:19	Arant 89:13	256:6 300:7	164:9 251:18
127:11,21	256:6,16 258:5	91:6	asks 200:4	attempting
128:5,12,22	259:6,13 262:9	area 101:11	assembled	122:12 212:3
129:14,19,21	263:8 264:7,12	132:12 148:7	287:23	285:9
130:3,9,14,19	264:20 265:5,7	196:11 269:7	assess 116:12	attempts 132:18
131:8,20 132:6	267:12 268:1	288:2	assessment	attend 122:9,17
132:13,20	275:22,23	Arendall 90:6	264:11	135:23 162:2
140:17,20,22	276:6,7 286:6	AREVA 122:2	asset 233:19	279:9
141:4,10	299:17	122:12,19	assigned 226:5	attendance
142:10,13,22	applications	134:19 135:3,8	226:18 227:3	278:4,7,14,18
146:21 148:4	106:10 116:21	160:20 186:10	228:4	279:10,15
148:15,23	139:17,22	AREVA's	associated 97:8	attended 140:7
149:8,11 152:9	168:7	114:12,12	157:14 195:19	161:7 162:5
152:15 154:1,6	apply 165:6	119:11	224:21 257:2	276:20,23
154:15,19,23	261:16,18,21	argumentative	264:20 286:12	278:15
155:21 156:20	appreciate	169:14 175:15	287:10 290:4	attending 103:6
157:10 162:21	165:2 193:3	176:4	290:17 300:7	122:15 152:3
167:17 168:1,8	appreciation	Arkansas	assume 257:1	153:15
168:15,19	164:23	289:13	assumed 189:15	attention 254:22
169:4,10,22	appropriate	arrange 246:15	202:6 295:11	attorney 90:5,15
170:23 171:10	116:1,9 117:9	arrangement	296:16	91:5 97:6
172:2,10,15	122:1 299:3	249:4	assuming 138:5	attorney-client
173:2,8,10,18	appropriately	arrangements	166:23 168:21	132:23 158:8
174:1,9,14,15	171:13 192:2	99:22 127:1	168:22	196:8
175:8,9 177:19	approval 97:1	260:15	assumption	auction 98:3
180:14,18,21	141:5 181:8	ASAP 213:14,16	202:10,12	99:11 100:11
181:12,19	197:17 208:10	aside 172:20	296:7	102:18 120:5,8
182:1 185:4	208:16 211:11	asked 103:18	assumptions	126:11,12
188:1,5 190:5	211:16 213:23	104:2 109:2	296:12	August 127:23
190:15,21	230:23 247:18	110:4,7 121:15	assurance 98:19	128:1,3,11
191:6 192:21	251:15	156:18 157:8	104:23 127:5	130:18 132:8
194:4,10,16	approvals 179:3	159:19 173:3	127:16 128:14	172:22 202:22
199:17 202:7,8	258:7	176:12 182:10	129:6,10 207:6	203:2 206:19
202:16 209:17	approve 260:11	196:12,13	226:5,11 257:5	209:12 210:7
212:10 213:14	299:16	208:19,22	260:23	210:10 212:8
213:17 216:5,9	approved 113:4	214:9 225:3	Atomic 197:12	212:22 218:3
216:12 219:15	142:1 178:16	230:10 237:5	254:7,13	218:14 219:7
222:17 227:19	261:21 281:19	263:4 266:18	attached 114:10	220:12 221:6
228:9,13	approves 257:14	280:3	165:12 191:21	222:6,12,20
229:11 230:22	257:23	asking 115:13	217:5 264:22	225:5,8,14,23
231:2,14,19	approximately	190:1 196:9	attaching	226:15,22
233:5,18 234:8	290:5,12	234:5,23 235:3	230:21	227:8,14 230:4
235:1 237:3,17	April 162:1,11	236:2,17 237:1	attachment	282:15
240:2 242:19	186:23 188:19	238:14,23	252:1,3,4	author 241:20
243:23 246:7	264:2,4 268:23	239:4 241:19	265:19	authority 89:9
246:20 249:19	269:2	241:20 247:1	attachments	91:16 99:7,18

William McCollum

11/13/2019

Page 305

101:12 108:2	background	220:7 277:2	193:23 199:16	89:16 91:9
118:12 132:17	128:7 154:4	belief 108:16	207:19 230:7	bit 100:14
197:18 252:18	backward 205:8	117:23 166:17	231:1 232:16	223:18
252:23 253:6	backwards	231:21 240:21	233:5 235:2	biweekly 201:5
279:23	206:8	believe 98:4,7	236:3 237:15	Blevins 290:21
authorization	badly 169:12	100:12 106:3	243:13 244:2	Blust 90:14
201:14	bar 165:15	107:10 108:6	247:16 257:4,9	206:10 227:4
authorized	based 103:21	115:10 136:8	259:17,18	268:23 297:2,8
118:2 265:11	108:16 117:5	141:21 145:22	261:1 270:9,21	297:13
287:7	118:4,8,11	149:19 159:9	277:9,17 278:5	board 184:15
available 219:10	160:5 182:23	178:6 179:23	278:16 279:3,7	277:16 279:23
224:4 284:14	196:21 236:11	183:17 192:8	279:11,19,21	291:3
284:21 285:6	241:5 265:7,19	192:13 193:13	280:1,9,14	bottom 186:7,12
289:10	296:7 298:21	193:13 211:15	281:13 282:4	186:21 203:16
Avenue 89:15	basically 97:3	214:14 218:20	300:20	226:3 244:23
91:8	130:16 132:19	231:11 237:11	beneficial	249:19 253:21
average 295:23	153:1 154:7	241:2,3 270:16	288:15	264:5 267:15
aware 102:8	189:2,15	273:8 277:19	benefit 183:18	293:13
103:13 158:16	221:21	278:13 283:10	benefits 189:19	Boult 89:13 91:6
160:13 182:15	basis 105:2,19	284:15,22	Bentley 278:20	brad@crtrialt...
230:8 243:8	108:11 166:16	285:14 289:8	best 98:5 108:8	92:6
248:12 249:12	166:21 173:11	believed 130:13	111:19,21	Bradley 89:13
262:8 280:15	250:12 271:2	168:17 177:1	112:22 130:4	91:6
283:12 296:19	289:9,23 294:5	178:14,23	132:1 137:21	break 96:18
297:11	Bates 233:13	183:1,3 231:9	149:5 161:23	151:10,15
awareness	242:22 251:9	231:13 244:16	163:19 179:23	163:11 259:5
159:14	252:2 256:17	282:10,17	192:2 221:12	280:20 281:1
awesome 208:4	258:5	283:4,6	231:20 240:20	breakdown
Ayliffe 91:13	Beach 279:10	Bell 95:5 203:18	241:4 266:14	293:18
	280:10	Bellefonte 93:11	280:2,5	brief 288:11
B	becoming 224:8	93:16,19,22	Bethesda 103:6	bring 274:5
b 89:20 223:2,4	beginning	94:3,8 95:9,12	153:17 203:6	broach 157:20
226:3,9,10	100:20 125:12	97:1 99:18	beyond 121:20	broached
252:16 302:20	125:13,13	114:14 117:19	162:23 266:21	157:18
back 96:10	155:19 168:12	124:17 125:6	267:2	broke 96:19
116:1,9 117:3	170:7 172:5	134:18,21	bill 122:15	151:20
121:18 147:19	174:19,22	135:16 136:10	186:14 269:4	budget 173:15
151:17 163:13	273:22	138:9 139:17	276:21 277:1	193:5,20
164:15 192:7	begins 165:11	139:19 141:18	279:1 289:5	293:18,23
230:1 238:1,8	205:7 243:12	143:11 145:18	291:12	294:10 295:13
252:5 253:18	245:1 249:20	162:16 165:4,5	billing 183:23	299:8
281:3 284:23	250:5 251:11	166:9 174:4,10	billion 289:4	budgets 192:1
292:23 294:3	253:22 255:2	174:19 175:2	Billy 181:4	build 124:2
294:13 296:11	265:3,19	176:9,21	182:2 194:23	125:20
back-and-forth	begun 170:20,22	184:18 189:12	272:19 274:6	building 124:12
131:17	behalf 141:2	189:17 190:2	Birmingham	125:23 126:9

William McCollum

11/13/2019

Page 306

296:13	capital 223:2	296:8	285:2 286:11	coming 98:22
built 284:19	295:2,11	changed 151:6	288:12 291:13	120:13 134:19
295:15,17	300:21	164:2 169:15	292:13 298:5	180:21 184:15
296:15	captured 218:10	179:7 189:8	298:11,16	194:8
bureaucratic	care 273:23	299:23	299:1 300:5	comment
147:2	carry 248:18	changes 115:6	CIVIL 89:4	207:23 214:11
business 94:2	case 192:14	184:14 251:18	claim 205:18	commented
191:22 193:1	223:2,4 236:16	changing 262:3	260:7	131:16
buy 269:9 270:4	cases 272:1,3	characterizati...	clarified 291:16	comments
	categories	262:20	clarify 101:21	129:16
C	168:13	Chardos 95:22	222:22	Commission
C 90:1 91:1,14	cause 302:16	99:12,15	clear 103:7	93:14 94:11
92:1 223:22	caveat 142:17	103:23 113:2,7	133:4 146:15	134:17 135:3
225:3 226:18	cease 264:19	149:23 152:18	146:16 147:4	234:1 239:11
302:1,1	cents 291:15	152:23 153:4	147:15 154:13	267:11
Caine 90:4	CEO 188:18	205:20 224:3,3	154:16 160:8	Commission's
164:14	certain 136:14	224:8,18 248:9	209:5 211:9	197:13
calendar 194:9	138:2 180:7,9	268:22	235:16,21,23	commissioner
call 183:18	192:16 201:22	charge 122:21	236:1 284:17	161:2,6,20
184:6,10 185:1	215:2 251:16	294:23	298:4	COMMISSIO...
185:5,21 187:5	279:16 294:20	charged 289:3	Cliff 279:10,15	302:21
187:10,18,23	certainly 118:22	charges 290:6	close 166:21	commissioners
190:8 193:4,11	151:12 163:17	charging 289:8	closer 291:17	161:10,16
193:14,16	194:8 249:5	290:1 291:14	closes 266:3	162:6,20
194:2,16 209:4	260:10 283:12	Chattanooga	closest 289:14	163:19,22
209:9,11	284:17	291:3	closing 113:4	commit 142:18
214:19	certainty 160:13	Chicago 90:18	120:4 141:17	commitment
called 99:14	certified 89:21	chief 272:8	142:2 166:18	250:9,14 251:1
134:20 184:11	290:8 302:23	277:10	167:2 177:2,5	251:5 298:19
calls 158:7	certify 302:6,13	Chin 91:14	177:9,11,20	committed
217:19 270:11	cetera 199:10	chosen 263:6	181:14,20,23	174:16,16
278:23 279:5	266:5	Chris 230:17	182:11 184:21	213:9
280:8,16	CFR 119:9	280:13	190:22 224:9	committee
Campbell 92:4	197:15 243:23	chronological	224:17 230:6	281:23 282:4
candidate 224:4	251:11	206:13	232:18 233:7	283:9,18
capabilities	chain 145:16	chronology	233:19 234:9	286:10 298:5
124:2,7 125:21	205:7,20 206:3	205:8	235:2 237:14	300:4
125:23 126:10	214:4 293:1,3	circumstance	246:1,6,12	committing
126:20,22	Chandler	115:15	248:22 260:17	249:13
169:10	230:18 280:13	circumstances	281:8,12,18	common 254:4
capability 97:13	280:17	116:2,11	Co-op 290:22	communicate
97:13 124:21	change 106:10	117:10 188:23	Code 197:14	247:2
125:1,10 126:6	180:14 189:1,5	299:23	come 98:15	communication
126:17 127:9	189:6,9 252:9	city 281:23	139:9 159:8	133:6
130:2 131:6,23	253:8,14 256:7	283:8,17 284:3	274:3	communicatio...
132:5,10,11	288:16 292:17	284:4,6,9	comes 277:5	159:5,6 181:11

William McCollum**11/13/2019**

Page 307

196:8 298:21 300:6,11 companies 107:14,15 company 228:1 269:5 comparable 108:20 116:2 116:11 117:10 compiled 124:9 complete 125:6 126:3,5 127:9 127:13,19 134:23 138:7 165:17 166:12 171:9 173:17 178:7,20 203:23 204:1 204:10,11 210:8,9,15 211:23 218:14 223:14,15,20 227:13 258:20 259:11 267:16 completed 168:18 176:10 176:23 221:5 222:6,9,10,12 222:19 223:14 225:23 226:14 226:21 227:7 228:6 268:1 282:12 completeness 263:2 completion 170:3 191:2 220:18 221:14 243:17 244:8 252:11 255:8 268:3,8 276:3 287:6 comply 247:12 component 132:4 components	178:12 computer 99:19 concept 202:15 concern 138:12 concerned 132:15 135:15 218:13 299:20 concerning 130:1 132:5 133:20 concerns 195:12 concluded 244:12 264:7 265:6,8 301:13 conclusion 270:11 271:15 condition 108:9 conditional 250:9,14 251:1 251:5 conduct 220:7 conducted 245:8 246:5 conference 103:7 153:16 193:4 confident 250:22 confidential 232:4,5,11 confirm 219:10 221:7 269:8 confirmed 148:1 150:7 confirming 201:8 conform 251:16 conforming 198:4,16,20 199:5 200:10 201:3,23 202:7 255:6,13,19,23 256:2,3,11 258:13 confused 157:2 215:20 216:2	Congress 299:2 299:7 conjunction 125:3 152:3 connection 199:16 259:12 connections 288:22 consent 101:14 102:10 109:1 109:13 110:2,7 112:2 132:16 133:7,8 243:5 consented 110:11 consider 208:15 288:2,16 consideration 139:23 considers 242:18 consistent 108:5 233:22 240:4 240:23 241:15 254:6,13 consistently 181:10 constructed 282:5 283:22 284:10 286:21 construction 95:10,13 97:2 99:3 101:14 106:5 108:7,19 109:5 110:10 113:3,8,13 114:15 117:20 117:23 118:5 119:3 124:7 125:5 126:14 130:7 131:9 132:10 133:8 138:10,17,21 139:1,12,13 140:12,18 141:5,23	142:11,14,23 145:18 146:22 152:9,16 153:21 154:2 162:21 163:2 165:7,17 167:3 167:6,15,17 168:3,9,14,14 169:4,22 170:22 171:10 171:14 172:1 172:10 173:1 173:13,18 174:2,21 175:9 177:18 178:6 178:11,16,20 179:1 180:13 180:19 181:9 181:13,19 185:4 187:7 188:1,6 191:2 191:5 192:20 194:3,11,15 199:18 202:16 204:9 208:16 212:11 219:15 220:19,23 221:14 225:7 225:19,23 231:1 232:15 233:5 236:4 238:12 244:8 246:21,23 247:18 249:18 252:10,10 253:3,15 255:8 256:9 259:19 261:13,19 265:11 267:23 268:3,5,8 274:4 276:2,3 281:19 282:11 282:12,17,21 282:22 286:10 287:6 Constructor	226:19 consult 138:1 consulting 286:3 consummated 200:7 201:7 consummation 256:23 contact 98:2 99:15 100:23 122:5 150:1,10 183:19 185:17 185:18,23 186:1,15 195:11 248:9 contacted 97:21 98:1 contemplated 246:11 247:16 300:19 content 164:1 196:8 context 121:19 202:9 continual 126:8 126:9 continually 127:3 continuation 96:8 continue 121:22 199:2 245:6,16 246:16 249:7 249:14 262:5 continued 100:23 132:17 249:5 continues 251:14 continuing 91:1 92:1 93:4 96:14 124:12 151:3 205:14 243:22 251:8 contract 125:3 126:1 127:1 contractor
---	---	---	--	--

William McCollum**11/13/2019**

Page 308

169:7 contractors 97:14 98:9 contractual 141:17 248:13 249:6 control 171:15 174:4 197:17 conversation 102:17,20 103:1 104:19 110:17 111:11 111:13 112:12 112:20 133:5 134:11,14 135:13 144:14 144:16,21 145:4,8,9,13 145:21 146:2,3 146:6,19 149:1 150:9,13 151:21 152:2 152:18,19 153:4,14 155:22 156:3,6 158:3 159:14 159:16 160:8,9 160:13 177:16 180:11 182:18 195:22 224:16 273:18 conversations 112:1,17 113:12 123:12 123:21 132:17 145:1 151:4 152:6,7,13 153:6 155:8,14 157:23 158:1 159:11,21 164:2 179:11 179:22 180:5 181:18 182:2 217:1 convey 285:9 conveyed	173:23 cooperate 101:13 Cooperative 291:1 coordination 217:7 copied 114:2 186:23 copy 121:1 144:8 163:8 164:15,18 191:17 192:10 230:18,21 corear@hand... 90:12 corner 197:2 correct 98:12 101:19 103:11 105:21 107:21 107:22 108:22 109:3,16 112:17,18,22 114:2,5 131:9 131:10 133:7 133:11,17,18 136:19 142:6 144:12,13 145:8 149:22 151:7,8,23 154:15 155:11 155:12 156:7,8 160:10,11,16 160:17 164:2 164:11,12,21 164:22 165:20 166:1,2,6,7 167:8 168:15 168:20,22 175:3 176:8,14 183:12,13 186:10 191:14 191:19 194:9 194:13 195:1,2 195:5,6 198:2 198:3 200:16	200:18 201:20 206:20 209:1 210:4 212:8,20 213:3,10 215:17 218:4 218:20 219:5 226:15 228:5 231:3,6,10,12 231:15,19,21 232:18 233:8 234:9 235:6,15 236:5,9,21,22 239:18 240:20 241:1,3,4,11 242:9,10 244:14,17,18 244:20,21 247:13,19 249:7,14,15 252:19,20 253:1,12,16 255:9 257:12 257:14 258:1 258:22 259:7 259:14 260:13 260:18,19 261:3,6,16,23 262:10 264:3 264:20 265:1 265:12 267:2 267:13,17 269:2,12 270:17 272:20 275:6,16 277:19 282:9 282:10 283:15 287:1 290:8 293:15,20 295:14,16 296:4,9 297:22 298:14 299:5 300:16 302:11 correctly 178:6 255:11 265:23 cost 289:1 291:17	costs 271:10 290:6 292:5,18 295:1 council 282:1 283:9,18 284:4 284:5,6,9 285:2 286:11 291:13 292:13 298:5,11,17 299:2 300:5 counsel 91:15 97:5 118:15 137:19 159:22 195:23 202:13 237:10 239:8 240:15 241:6,9 254:16 302:14 count 290:6 country 296:20 297:11 county 284:3 288:1 302:4 couple 163:21 216:11 course 107:4,7 108:12 229:9 court 89:1 234:18 Courtroom 92:5 cover 231:2,6,10 233:13 295:1 covered 288:10 CP 93:11 94:8 124:11,14 265:11 CPs 209:17 211:1 214:20 215:1 created 229:10 creating 122:14 220:6 credible 209:19 credit 294:1,2,8 294:11 crystal 154:13 154:16	Cummings 89:13 91:6 current 108:7,9 110:10 201:12 220:5,15 268:2 289:4 currently 243:13 customer 189:11 cycle 193:5 <hr/> D D 91:13 225:2,7 data 99:19 date 96:9 97:20 118:1 141:17 154:21 167:14 167:20,20 168:4 177:9,11 180:2,13 181:23 182:11 183:2,2 188:21 199:4 200:6 212:22 213:18 219:11 220:18 220:22 221:8 221:10,13 223:14 226:15 230:6 243:17 244:8 248:22 268:3 282:17 287:6,11 dated 133:17 160:20 186:23 195:1 230:18 239:12 268:23 293:14 dates 152:12 172:5 179:7 252:11 255:8 256:9 David 90:14 91:13 day 125:19 162:4 200:11
--	--	---	---	---

William McCollum**11/13/2019**

Page 309

274:12 291:17	240:5,8 241:1	226:6,12 257:5	232:18 233:20	114:20 117:22
day-to-day	241:16 243:2	design 134:20	235:3 237:12	118:18 120:1
137:14	243:13 244:7	265:10	237:15,18	155:9
days 209:13	247:7	designate 232:3	238:15 242:9	disagreeing
214:1 259:13	deficient 262:10	designated	243:9 244:3,9	116:18
266:11,21	262:20 263:6	99:12	245:6,18	discuss 123:7
267:1	263:12	desire 167:1	246:11 247:17	157:15 165:3
ddayliffe@tva...	defined 252:18	detailed 293:23	247:19,22	177:17 178:3
91:20	definite 142:18	294:10	249:2,13,20	184:3 185:10
dealing 116:20	270:1	details 209:5	250:13 251:3	193:4 209:4
decades 117:7	definitive 156:2	229:1 296:11	251:15 253:9	214:19 227:4
December 121:4	191:4	determination	253:12 255:2,5	273:22 274:12
125:10 133:21	degree 135:19	234:2 237:3	256:8 257:1,9	279:18,19
134:2 166:12	delay 101:4	263:5	258:12 259:19	discussed 138:4
175:2 176:10	delays 283:15	determine	261:2 262:6,15	139:19 140:2
176:23	delete 299:7	254:12	266:23 270:20	142:21 145:1
decide 172:3,8	delineated 264:8	determined	271:5 275:14	154:7 161:8
172:21 212:17	demands 207:7	225:4,8,13	276:11,22	162:13 177:9
220:5 233:17	demonstrate	263:8	277:2 278:6,17	177:12 187:22
decided 171:7	124:4,5,6	develop 168:8	279:2,6,11	190:13 193:16
171:12 277:16	Department	173:7 190:20	280:9,14 285:8	196:4 255:8
decision 111:13	250:6,16,19	developing	286:4 291:20	276:1 290:18
111:15 171:21	286:7	127:4 148:3,14	294:12 296:1	discussing 185:3
211:5 214:6	depending	148:22 190:5	Development's	189:17
220:11,14	162:9	Development	101:5 125:10	discussion 96:12
262:18	DEPONENT	89:6 96:23	241:8 244:19	113:2 140:15
declare 277:17	301:15	97:19 98:16,23	270:8	141:22 142:4
declared 279:23	deposition 89:12	110:12,13,14	different 167:20	146:15 153:19
declined 291:11	96:8,19 113:19	118:16 120:3	168:4 210:13	162:15,20
decommission...	120:19 143:23	123:15 125:3	236:8,14 237:2	181:15 194:15
207:5	155:6,8,15,16	131:7 136:21	282:19 291:8	195:18 215:17
deemed 117:9	155:18 160:5	141:1,2,3	differently	224:20 228:23
262:9	196:21 203:11	146:20 155:3	155:23 223:18	248:6 273:13
Defendant	204:16 268:17	156:22 157:14	digits 197:3	274:21 277:8
89:10 91:3	292:9 301:10	160:14 161:19	direct 137:17	discussions
defense 254:4	301:13 302:7	165:5 166:10	159:4 251:23	113:6 121:6,10
deferral 261:12	302:11	166:15 171:7	254:21 265:14	121:14 122:6
deferred 94:12	describe 96:21	171:21 172:8	directing 206:6	126:1 189:3
138:22 139:12	225:11	172:21 173:20	directly 122:5	190:18 198:1
207:6 224:1	described	181:7 185:9	director 137:12	219:20 224:6
232:17 233:6	203:22 257:22	187:5 188:14	225:7 242:4	248:8 274:15
233:23 234:6	describes 246:7	189:7 192:13	disagree 115:1	274:18 281:6
234:14 235:4	246:22	195:19 199:14	117:17 119:5	281:17 300:2
235:17 236:4,8	describing	224:9,21	119:17 155:14	displays 289:12
236:13 239:4	246:19	228:21 230:5	294:5,14 295:5	disposed
239:12,16	description	230:10,22	disagreed	119:14

William McCollum**11/13/2019**

Page 310

distinction 235:17	243:9 298:6	effective 257:6	272:22 274:19	entity 108:3,4
distributors 290:5,18	dollar 289:5,16	effort 102:16	293:5,7,12,14	227:2
DISTRICT 89:1	289:22 295:16	122:20 147:14	emails 95:6,14	environment
89:2	295:18,22	169:23	144:11 146:17	264:15
divide 290:10	296:6,8 297:20	efforts 93:19	153:9 205:7,20	escalation
DIVISION 89:2	dollars 289:6,18	123:12 215:12	206:3 215:3	296:16
Dixon-Herrity	290:1,12,15	275:18	272:18 293:1,3	essentially
193:18	291:14,18,21	eighty 296:21	293:9	111:13 130:13
docket 199:4,8	293:19	297:15	emphasizing	130:21 135:12
document	door 158:10	eighty-seven	211:21	223:15,19
113:22 117:4	159:3	295:22 296:6	employee 224:9	224:2 267:19
118:23 119:1,7	doubt 114:4	297:20	employees	estimate 169:11
119:18,22	287:3	either 147:15	224:12	221:12 297:22
120:23 144:9	draft 217:5	179:16 193:3	enable 262:21	Estimated
156:13 174:18	drafting 129:4,6	201:19 224:7	264:10	220:18
175:12 177:8	129:10	Electric 290:22	enclosure 264:9	estimating
183:9 186:6	Drive 91:17	291:3	encountered	267:19
191:20 195:7	drop-in 161:19	electricity	283:14	et 199:10 266:5
196:4 198:9,11	drop-ins 161:10	296:20	encrypted 274:9	evaluating
200:3 203:14	161:15 163:22	electronic	ended 135:22	117:8
203:15 204:20	due 292:16	274:10	endorse 199:15	evaluation
204:21 205:22	Duke 275:12	eleven 166:18	endorses 199:7	118:11
206:9,11,14	duly 96:4	178:10	Energy 197:12	event 258:11
222:21 229:4,6	Dym 90:16	email 93:8,10,13	250:6,8,17,19	evolved 174:6
231:7 232:7	<hr/>	93:15,18,21	254:7,14	exact 180:2
239:14,20	E	94:1,4,7,17	275:12 286:7	188:21 266:9
250:3 255:18	E 90:1,1 91:1,1	95:3,8,11,18	engage 121:22	exactly 110:22
260:22 261:5	92:1,1 225:11	95:21 113:23	134:17	115:17 223:20
267:8 293:2	302:1,1	121:2,15,20	engaged 97:4,18	232:10 238:6
documents	earlier 144:16	122:8 123:1,5	engages 138:18	260:7 277:15
165:12	144:20 145:8	123:8 133:16	139:8	EXAMINATI...
DOE 123:13,16	166:22 169:6	133:20 134:10	engineering	93:1,3 96:14
123:19,23	170:8 191:19	145:16,16	125:4 169:1	examined 96:4
124:10,13	210:6 214:19	147:6,23	170:3,10,16	example 207:7
190:15,18	215:1,3 255:21	160:19 164:8	190:23	EXC's 220:6
251:6 275:18	256:2 271:15	179:12 183:10	ensure 192:1	exception 109:1
275:23 276:5	276:12 282:14	183:15 184:7	207:16	109:12 110:2
276:10,17	early 135:11	184:12 185:7	ensuring 193:19	218:15
298:19,22	146:7 170:4	186:9,22	entered 295:23	exchange 153:9
299:14,16,19	172:14 173:9	188:12 189:21	entire 168:19	183:18 272:18
doing 125:22	267:2 272:6	191:12 194:23	169:15 222:17	274:19
147:4 150:9	273:23 275:1	203:17 206:8	231:14	exchanged
175:22 187:19	easy 154:5	207:1 209:14	entirely 146:23	144:11 184:12
189:7,11 224:3	educate 189:18	209:15 214:3,4	entitled 195:4	excuse 101:20
	effect 154:10	217:4 230:17	197:7 225:18	120:4 121:3
	261:11	268:21 269:13	258:6 261:9	144:6 147:12

William McCollum**11/13/2019**

Page 311

152:14 161:16 161:17 174:16 177:22 182:8 186:8 237:13 265:5 execute 298:12 298:13 executive 137:12 248:9 Exelon 212:17 213:8 Exelon's 213:4 exemptions 199:9 exhibit 93:8,10 93:13,15,18,21 94:1,4,7,10,13 94:15,17 95:3 95:6,8,11,14 95:18,21 113:16,21 114:11 117:16 120:16,22 133:13,14 143:19,20 146:11,12 147:20 150:14 153:8 156:10 156:11,15 160:19 163:6 164:5,8 165:22 183:6,7 186:3 186:4,8 188:12 189:21 191:9 191:12 194:20 194:21 203:8 203:13,17 204:13,18 205:14,16 217:21 218:2 230:13,14 231:8 232:5,20 234:19,20 239:10,22 240:9 242:3,23 258:5 260:21	263:21 264:1 265:6 267:5,6 268:14,19 272:15,16 292:6,11 293:13,18 EXHIBITS 93:6 95:1 existing 99:3 139:21 201:12 252:17 269:7 Exp 302:22 expect 251:4 267:16 268:8 expectation 260:10 expected 148:18 176:10 180:12 250:13 259:16 268:1,2 expects 250:8 expend 171:4,21 172:3 expenses 295:10 295:13 experience 107:11,14 108:6,17,19 115:23 116:7,8 116:20 117:6 118:8 146:23 149:12 183:1 236:12 275:7 expirations 118:10 expired 117:20 118:1 explain 175:19 216:15 285:21 explained 184:18 216:22 explanation 241:20,23 explanations 241:17 express 164:23	expressed 138:13,14 139:4 expressing 138:23 expressly 177:17 178:3 271:12 extension 117:21 182:10 230:5 243:17 243:22 266:20 extensive 297:17 extent 207:16,16 232:2 233:16 238:22 270:11 eyes 248:18 <hr/> F <hr/> F 302:1 face 184:2,3 face-to-face 103:5 136:13 137:11,15 150:13 153:19 facility 108:9 125:6 197:19 276:3 fact 140:6 151:1 161:5 174:23 190:8 205:1 212:1 216:3 217:16 231:13 249:8 250:15 267:22 287:4 factor 296:14 factors 296:16 fair 112:19 171:6,11 191:6 202:17 209:23 211:20 218:19 236:23 241:7 262:13,20,23 263:3 285:4 fairly 137:20 fall 192:19	familiar 149:21 far 218:12 fashion 181:22 fast 173:16 faster 109:11 feasible 288:22 February 146:8 164:9 166:6,17 168:10 177:2 178:15 179:1 182:23 183:11 186:13 federal 89:14 91:7 197:14 271:12,23 fee 183:22 feel 122:16 185:14,18 fellow 291:2 felt 102:2 109:22 123:19 127:10 190:18 215:16 250:21 FERC 271:3 FERC's 271:4 Fifth 89:15 91:8 figure 99:23,23 290:11 296:7 297:21 figures 298:1,2 file 101:5,9 102:7 113:20 filed 101:3,18,22 102:1 109:4 132:19 290:7 final 129:18 130:19,23 190:23 Final-Release 95:19 finalize 193:4 finalizing 184:20 finance 249:21 financial 97:12 98:19 105:1	119:9 127:6 131:6,22 132:5 132:11 227:1 277:10 288:12 296:17 financing 166:23 169:17 169:23 170:14 177:6 184:20 227:13 find 150:11 265:16 finding 152:20 fingers 147:18 finish 175:1 firm 97:4 269:19 269:20,23 271:6,9 286:3 292:1,2 firmed 184:22 first 97:18 100:3 104:13 114:10 115:4 116:19 119:8,10,12 120:10 123:7 123:10 128:1,3 128:10 130:17 132:8 136:9,12 147:23 165:14 171:8,22 172:23 179:14 186:21 188:11 189:20 191:16 192:4 197:10 200:22 206:17 210:7,10 211:9 219:13 223:5 225:18 230:16 233:12,15 239:23 242:3 256:22 261:10 264:6 266:15 277:5 281:10 284:12 five 244:23 282:5,21
---	--	---	---	--

William McCollum

11/13/2019

Page 312

284:10,14,19	forward 93:12	frequent 123:12	126:5 131:4,11	210:2,3,23
284:21 285:7	138:16 140:1	123:21	132:13 168:12	211:2,11
five-year 282:13	141:15 169:1,8	front 206:9,10	168:18 169:20	213:20 215:4
285:10,14,17	184:22 189:3	fuel 135:4	general 91:15	229:17 253:18
286:9,18	192:1 207:9	Fukushima	124:15 137:19	268:11 289:11
flip 225:16	209:5 212:18	207:7	162:15 185:1	289:11 290:7
floor 295:2	213:13 214:11	full 137:20	187:20 196:11	295:14,14
focus 123:16	253:10,11	200:22 210:4	228:15,17	296:10
focused 123:19	292:23	fully 201:19	248:10 279:19	goal 193:7 215:5
folks 187:5	four 117:7	217:6	generally	goes 193:7
follow 111:5	162:12 163:19	function 137:18	184:19 276:16	198:23 212:14
150:23 160:1	170:19 197:3	148:12 227:23	George 290:23	257:7
161:9,19	209:3 226:17	227:23	getting 99:9	going 100:1
174:14 196:17	251:8 295:21	funding 207:5	113:14 124:16	103:3,8 104:20
220:6	296:5 297:19	funds 172:21	130:23 131:18	104:21 105:3
follow-up 161:1	fourteen 254:18	299:3,7	131:19 135:1	105:15 107:18
161:5	Framatome	furnished	169:6 177:5	110:3 122:7
followed 112:9	134:20 223:19	131:14,15	188:3 211:15	133:12 136:2
142:16	frame 132:2,8	further 96:5	274:7 288:3	138:15 140:3,4
following 99:11	142:15 146:19	112:1 215:17	Gilman 205:19	144:15 145:23
100:11 146:15	149:2 172:13	250:21 274:15	213:2 214:18	146:11 147:8
150:9,12	173:8 174:3	300:2,6,11	give 139:6,7	147:17 148:8
190:21 205:15	190:9 213:17	301:4,15	140:23 141:2	148:17 149:4,7
207:2 273:12	272:7	302:13	142:7 174:12	149:8,14,16,19
291:17	frames 142:18	future 121:23	191:4 239:19	152:21 153:23
follows 96:5	Frank 95:22	187:7 193:20	271:9 290:22	154:9,14,18,22
foregoing 302:7	97:23 121:2,3	260:8	292:21	155:4,20 156:2
302:10	121:7 122:8	fuzzy 279:12	given 171:13	156:9,19 160:1
form 97:9 99:19	123:18 131:13		173:14,15,18	160:4 163:6
109:17 128:17	131:18 135:20	G	185:15,16	168:18 170:5
129:18 130:12	136:16 145:19	Gail 89:20 238:1	227:10 263:23	170:11,13
130:19 131:1	145:22 146:2,6	302:20	294:23 302:12	180:14 183:5,6
131:19 219:17	183:10 184:11	gained 100:10	giving 206:2	186:2 191:11
220:2 234:10	186:15,22	101:9 174:3	218:15	191:23 194:20
259:21	187:12 208:2,9	gap 259:17	Gleaves 181:4	196:16,20
formal 209:17	209:3 211:21	260:2	182:3 191:13	197:1 205:4
formally 227:18	212:22 215:22	Gary 114:1	195:1 272:19	207:9 211:16
format 97:9	216:3,7,14,19	122:3 134:12	273:11	211:22 223:17
104:21 154:6	221:9 224:7,16	135:14 136:2	Gleaves' 272:22	230:12 245:11
formed 145:20	227:4 268:22	186:9,14	go 109:11	246:3,13 247:2
227:2	269:3,17	gather 124:19	125:17 130:2,3	248:6 253:10
forms 219:19	293:14	130:7 171:4,8	130:8 138:16	253:11 260:7
formulate	Franklin 114:1	172:12	143:7 144:7	267:5,11
212:15	221:8 224:7,16	gathered 130:12	163:8 179:20	272:14 282:22
forth 99:4 100:2	227:5 268:22	219:8	192:17 197:1	286:13 290:22
135:17 294:9	293:6	gathering 125:8	198:7 209:15	292:1,2 299:16

William McCollum

11/13/2019

Page 313

good 96:15,16 153:18 161:12 164:18 175:22 183:23 207:19 224:4 234:17	248:7 260:16 handling 195:4 273:14 Haney 95:22 97:23 114:1 120:10 121:2,3 121:7 122:8 123:2,5,18,18 131:18 136:15 136:16 186:22 208:3,9,9 211:21 212:4 213:16 221:9 224:7,16,16 268:22,23 269:3 293:6,14	helpful 217:13 high 228:22 288:15,17 highlighted 164:16 Hill 91:17 hired 118:9 286:4 hiring 224:18 history 102:16 hit 288:14,18 hold 193:8 233:20 237:8 237:12,18 240:3 holder 108:7 110:10 198:14 199:1,3 holding 242:17 home 143:9 hope 109:10 hoped 181:1 hopefully 211:11 hoping 141:8 177:4 hour 289:9,17 289:22 290:2 290:13,16 291:15,18,22 293:19 hours 122:15 hub 289:14 Hughes 90:16 Huh 182:5 hundred 289:6 295:21 296:5 297:19 hundred-and-... 139:3 hundred-and-... 139:2 268:7,10	286:2,3 288:10 296:4,11 298:1 298:7,8 idea 161:12 207:19 identification 113:18 120:18 133:15 143:22 146:13 156:12 164:6 183:8 186:5 191:10 194:22 203:10 204:15 218:23 230:15 234:21 263:22 267:7 268:16 272:17 292:8 identify 110:2 215:7 II 89:11 139:9 220:17 III 90:4 222:1 223:1 226:8 III-b 222:18 III.A 222:6 223:10 III.B 233:23 240:5,8,13,16 240:23 241:15 242:2,12,17 Illinois 90:18 Immediately 128:21 impact 138:16 276:18 implement 183:22 implementation 210:4 implications 256:4 implied 201:23 implies 198:22 important 294:17 298:18 imposes 247:5	impression 105:14,15 108:16 include 255:13 295:9 included 130:14 131:7 190:10 228:13 240:14 including 190:4 199:8 295:1 inclusions 232:2 increases 292:3 292:16,17 295:1 incurred 271:10 indemnity 201:4 independent 264:10 288:20 INDEX 93:1,6 95:1 indicate 167:15 167:16 176:16 200:6 223:20 228:16 267:16 284:20 indicated 103:2 135:9 145:19 147:8 150:14 161:11 172:11 172:18 173:13 299:15 indicates 145:16 147:6 173:22 175:1,7 261:4 261:11 indicating 165:16 166:8 227:4 284:13 284:16 286:19 286:19 298:22 indication 102:10 140:23 141:3 142:8 173:15 191:4 industry 117:7 183:1 236:12
gook 135:7 gosh 137:3 Governor 278:19 graph 165:15 grid 288:20,22 ground 125:19 group 103:15 104:5 112:6,8 147:3 148:21 149:13 150:5 151:7 154:18 184:1 185:8,11 185:19 283:23 284:4 287:14 287:18 293:7 groups 147:3,13 guarantee 123:14,16,20 123:22 124:3 190:15 250:7 297:22 guaranteed 298:3 guess 234:15 273:9 guidance 94:5 116:3 guys 104:20 135:15 149:7 187:20 215:22	Haney's 131:13 hang 249:23 happen 211:16 245:11 246:14 247:3 257:13 260:7 282:8 happened 255:14 279:14 299:9 happens 125:15 head 148:11 157:12 300:17 heading 119:2,9 health 254:5 264:14 hear 190:3 heard 105:6,11 105:12 212:1 215:21 hearing 302:12 held 187:11 235:14 236:5 237:1,5,19 239:5 259:20 262:6 277:6 help 104:6 106:22 135:16 143:8 212:16 212:17 223:19 helped 275:20	helpful 217:13 high 228:22 288:15,17 highlighted 164:16 Hill 91:17 hired 118:9 286:4 hiring 224:18 history 102:16 hit 288:14,18 hold 193:8 233:20 237:8 237:12,18 240:3 holder 108:7 110:10 198:14 199:1,3 holding 242:17 home 143:9 hope 109:10 hoped 181:1 hopefully 211:11 hoping 141:8 177:4 hour 289:9,17 289:22 290:2 290:13,16 291:15,18,22 293:19 hours 122:15 hub 289:14 Hughes 90:16 Huh 182:5 hundred 289:6 295:21 296:5 297:19 hundred-and-... 139:3 hundred-and-... 139:2 268:7,10	identify 110:2 215:7 II 89:11 139:9 220:17 III 90:4 222:1 223:1 226:8 III-b 222:18 III.A 222:6 223:10 III.B 233:23 240:5,8,13,16 240:23 241:15 242:2,12,17 Illinois 90:18 Immediately 128:21 impact 138:16 276:18 implement 183:22 implementation 210:4 implications 256:4 implied 201:23 implies 198:22 important 294:17 298:18 imposes 247:5	impression 105:14,15 108:16 include 255:13 295:9 included 130:14 131:7 190:10 228:13 240:14 including 190:4 199:8 295:1 inclusions 232:2 increases 292:3 292:16,17 295:1 incurred 271:10 indemnity 201:4 independent 264:10 288:20 INDEX 93:1,6 95:1 indicate 167:15 167:16 176:16 200:6 223:20 228:16 267:16 284:20 indicated 103:2 135:9 145:19 147:8 150:14 161:11 172:11 172:18 173:13 299:15 indicates 145:16 147:6 173:22 175:1,7 261:4 261:11 indicating 165:16 166:8 227:4 284:13 284:16 286:19 286:19 298:22 indication 102:10 140:23 141:3 142:8 173:15 191:4 industry 117:7 183:1 236:12
H H 91:4 half 171:8,22 172:23 hand 90:6 138:21 handle 116:12 135:21 handled 118:9		I I.C 220:4 ICF 285:21		

William McCollum**11/13/2019**

Page 314

inference 236:23	262:12,15,17 263:4,9 264:8	300:15	issue 109:1,13 110:3 112:9	Jim 99:12,15,20 103:23 149:23
inflation 296:14	264:23 265:9	intention 173:23 174:1	156:18,22	152:18 224:8
inform 179:6 242:4 299:22	266:5,7,16,18 273:1,3,6,9,10	interaction 244:8	157:9,15 158:1 159:20 160:10	224:18 248:9 268:22 269:4
information 94:18 97:12,15 98:10,14,18 99:6,9,11,16 99:17,22 100:8 100:10,15,16 100:20,22 101:1,7,10 102:3,22 103:18,20 104:6,23 109:2 109:6,14,22 113:9,14 117:14 123:23 124:9,10,13,19 125:9 126:5,17 126:19,22 127:5,9,16 128:7,14 129:6 129:8,11 130:7 130:12,16,17 130:23 131:6 131:15,16,18 131:22 132:12 138:1 153:16 154:4 168:13 169:9,20,21 171:9 172:13 173:1,7,17 174:17 183:19 184:13,23 190:17 193:18 207:7 214:6 216:9,11 218:16 219:8 219:10,11 222:5,11,19 227:3,11,13,15 231:20 232:3 240:21 241:4 250:18,21,22	273:16 274:10 275:8,11,21 289:11 290:9 informed 286:12 informing 244:1 inimical 254:4 initial 102:17 104:18 155:21 155:22 156:3 initially 97:23 105:17 163:18 inject 122:12,19 135:10,18 injecting 122:2 input 114:12 inspection 139:10 instance 236:10 instruct 132:23 158:14 159:10 196:6 instructing 158:21 159:1,4 159:20 196:15 instruction 160:1,6 173:19 196:22 intend 138:22 139:5 140:17 167:13 181:23 intended 141:4 161:9 174:8,13 238:7 248:21 intent 138:7,20 138:23 139:15 139:20 140:10 162:16 176:19 245:15 261:17 298:13,23 299:12 300:2,8	interest 138:14 152:20 interested 184:17 187:18 193:19 273:21 274:6 302:15 interface 119:3 183:21 interfaces 135:11,13 136:12 introduced 184:11 introduction 254:23 introductions 187:19 introductory 187:18 invalidate 201:11 investigation 254:15 investment 300:21 involved 102:13 106:1,4,7,9,17 107:13,14 112:6 129:3,5 129:9 131:4,11 132:13 133:6 135:16 148:22 154:22 involvement 96:22 102:16 172:20 275:18 involving 211:3 272:1 ISFSI 201:4 issuance 199:4 201:5 258:12	160:15 168:5 217:1 221:5 250:23 255:5 258:21 259:12 266:4 issued 198:16 200:11 201:6 201:10,13 242:17 268:4,6 issues 116:23 168:2,9 281:11 item 116:18 117:18 167:5 176:8,19 178:9 200:19 223:5 240:16 items 95:15 199:7 218:10 218:13 225:22 229:13 IV.B 227:12	Joe 95:6 102:18 103:2,4 104:19 105:17 110:19 111:15 112:5,7 112:20 133:5 144:11 145:16 147:4,9,15,15 149:7,17 151:4 152:19 153:17 153:21 154:17 155:22 291:1 Joe's 103:12 Johnson 276:21 277:1,9,21 278:6,13 279:1 291:12 jot 143:6 judgment 98:6 111:20,21 July 130:5 132:8 167:10,14 168:19 174:20 174:22 175:8 175:10 176:21 177:3,12 266:15 267:2 293:5,14 June 132:2 189:22 jurisdiction 271:3
			<hr/> J <hr/> J 95:22 291:8 January 95:7,7 133:17,23 134:3 136:6 137:22 138:4 140:6 143:1 144:12,12 145:5,12 146:7 146:16 149:2 150:16 151:6 151:22 153:6 156:7 160:20 161:1,6,8 165:1,3 177:16 178:1,7,17 179:3 JEFFERSON 302:4	<hr/> K <hr/> keep 192:9 289:20 kilowatt 291:15 kin 302:14 kind 105:8 Kitchens 291:1 knew 194:8

William McCollum

11/13/2019

Page 315

262:4 282:7	97:4 236:18	173:5 175:16	249:18 251:9	118:13 121:23
know 98:2 115:5	270:7	175:21 176:2,7	251:19 264:2,9	148:8,12,19,21
115:13,16	lawyers 215:13	176:15 178:22	264:22 265:6	149:3 154:17
119:16 120:2,6	lblust@hspleg...	178:23 179:17	265:19 267:9	184:16 185:17
120:9,9,10,13	90:20	180:3 196:9,16	268:7,11,13	185:23 187:7
126:11 130:18	lead 97:6 99:13	196:19,23	298:13,23	195:23 198:13
135:6,20 136:2	104:21 105:16	203:1 205:17	299:4,12 300:2	198:14 199:2
141:13 147:3	108:3,10	206:2,7,12,16	300:8,15	199:15 202:12
152:19 153:1	135:12,19	223:13 229:5,7	level 111:16	223:18
157:22 159:16	136:4 146:21	229:17 230:3	138:18 228:22	life 220:23
183:14 188:21	148:8 149:4	232:6,12,13,22	Lewis 97:4,6,18	light 267:22
193:11 198:4	152:21 154:14	233:2,3,11	118:15 215:13	limited 199:8
198:21,21	155:4 189:16	234:15 235:11	218:16,19	line 250:5
200:14 201:22	learn 183:19	236:19 237:23	219:12 222:14	lines 244:23
202:11,14	281:10	238:6,13,17	227:11,16	269:8 270:9,21
209:8 230:9	learned 100:5	239:2 241:12	228:10	271:6
236:13 238:19	learning 184:17	245:22 252:7	Lewis' 223:16	link 181:21
238:20 249:8	195:15	252:12 255:21	license 94:5	linkage 177:17
249:10 255:22	lease 294:18	259:2,22 260:4	106:1,8,18	178:4
260:7 266:9	leave 288:3	263:15,19,23	107:7 135:2	linked 171:1,3
273:6 289:20	led 96:22 97:3	265:17,22	139:15,16,22	181:18
294:18	145:22 189:1	270:12,18	155:21 167:9	list 214:5,17,19
knowledge	left 149:16	271:1,16,19	174:15,22	217:6,23 218:3
108:8 156:21	legal 112:10,13	280:7,19 281:5	187:6 190:5,20	218:10,13,22
157:13,21	116:5,22	297:5,7,10,14	195:5 197:20	219:14,23
158:2 177:13	118:13,15	301:3,6	199:1,3,9	222:2,13 223:6
231:20 240:20	202:19 241:17	lengthy 232:20	201:4,6,11,15	223:16 225:2
241:5 251:4	241:19 270:11	let's 104:11	202:2,9 208:12	225:17 226:4,9
Knoxville 91:18	271:15,23	147:19 175:11	208:13 231:19	229:8 282:15
277:6 278:12	272:3 281:7,11	209:12 217:20	242:14 258:13	listed 219:22
279:13	legally 271:8	229:17 233:12	264:12 302:22	225:22
L	Lembke 91:4	253:18 254:17	licensee 107:1,1	lists 219:18
	93:3 96:14	259:5 280:19	107:8,8 199:6	little 100:2
lack 212:6	101:23 102:5	letter 94:14,16	201:8,10,12,13	135:11 155:23
lacked 212:9	128:15,19	138:23 139:3,3	242:4,8 248:1	157:2 168:7
large 147:1	133:2,3,23	139:5 174:1	248:17	181:13 223:18
Larry 90:14	134:2,8 144:2	199:3,6,10	licensee/appli...	LLC 89:6 90:6
227:4 268:23	144:6 145:3	200:6 208:2	200:5	165:6 256:8
late 111:19	151:12,19	231:2,6,10,18	licensees 220:8	LLP 89:13 91:6
127:22 130:20	155:16 156:4	232:3,14 233:4	licenses 106:11	loan 123:13,13
133:4 145:5	156:16,17	233:13 235:10	106:12 115:7	123:16,20,22
156:6 194:16	158:9,12,18,21	235:19,22,23	162:18 197:16	124:3 190:15
220:22 272:6	159:7,18,23	237:5 239:17	licensing 97:5	190:16 250:6,7
281:14	160:3,7 163:7	239:23 240:19	103:15 104:5	250:23 251:2
Latest 220:18	163:17 164:14	241:21 242:22	107:11 112:5,6	275:19 276:5,7
law 90:5,15 91:5	164:17 169:19	243:3 247:15	115:6,6,8,11	276:18 286:6

William McCollum**11/13/2019**

Page 316

298:19 299:17 long 208:14 211:3 266:6 275:4 277:14 279:14 299:4 longer 167:23 168:7 286:13 286:16,17,23 look 113:20 116:1,9 117:9 117:12,12 135:14 143:15 143:18 144:5 147:19 165:21 175:11 186:7 186:20 192:17 194:5 200:21 206:17 214:10 233:12 242:21 252:12 258:10 261:8 285:22 292:22 296:11 looked 143:10 146:18 191:19 205:1 282:14 282:20 289:15 looking 146:17 146:20 239:22 242:2 252:1 looks 153:11 293:4 lot 99:17 100:19 lower 197:2 223:2,4 289:2 lunch 229:21	257:3 maintenance 272:12 292:4,5 292:18 295:10 major 140:1 165:14 171:14 making 202:20 211:5 236:20 263:4 285:16 288:16 295:8 298:4 manage 171:12 management 137:18 179:11 185:16,23 manager 99:13 223:6,22 managers 179:22 180:6 180:17 181:11 184:2 185:9 225:13 manner 124:5 237:19 March 145:10 152:2 153:6,11 154:12 155:3 156:20 157:5 167:10 243:20 Marie 212:22 213:2 214:18 215:5,12,20 216:1,10 225:20 226:5 226:18 228:4 mark 133:13 140:3 146:11 156:10 163:6 183:6 186:3 191:12,23 192:6 194:20 208:5,5 230:13 232:11 234:18 267:5 272:15 marked 95:1 113:17,21	120:17,21 133:14 143:21 146:12 156:11 164:5,7 183:7 186:4 191:9 193:1 194:21 203:9,13 204:14,18 230:14 234:20 263:21 264:1 267:6 268:15 272:16 292:7 292:11 marks 301:9 Maryland 103:6 152:4 203:3,6 material 216:4 materials 274:5 matter 116:5 134:22 210:18 270:7 matters 233:18 Matthew 91:4 Matthews 97:5 97:17,22 112:9 112:12,16 129:2 131:17 132:18 157:17 157:20,22 158:5,13,16,18 159:5,9,11 160:9 196:1,5 206:18 207:2 208:2 214:4 217:5 218:1 230:17 mayor 284:2 287:23 McCollum 89:12 96:3,9 96:15 117:2 144:7 151:19 156:17 163:5 174:23 175:21 176:3 204:19 206:17 230:3	230:16 232:14 254:22 258:16 262:8 264:1 267:10 281:5 301:7,10 McCree 137:8 137:10,11 138:6 140:7 161:11 164:10 165:23 174:7 174:12 177:16 211:10 McCree's 212:2 mean 101:21 106:23 125:1 147:11 179:15 180:15 189:13 216:6 229:8 252:21 253:12 255:11 270:3 286:18 295:12 meaning 136:15 178:11 284:20 294:22 meanings 256:5 meant 134:3 177:22 178:1 200:15,18 201:19 238:4 240:22 241:14 261:15 269:17 275:14 285:18 294:19,20 Media 95:20 meet 171:23 184:2 meeting 93:9 95:4 103:5 122:10 134:19 135:23 136:7,9 136:13,22 137:7,9,11,16 137:22 138:4,6 138:13 140:5,6 141:7 142:23 143:4,7 152:3	153:10 155:3 156:20,23 157:5,11,16 160:16,23 161:2,5,7,9 162:10 165:1,2 174:11 182:19 184:1 185:8,11 185:19 189:16 193:3,8,12 202:21 203:2 203:18,23 204:4 206:20 206:22 207:2 212:2 217:12 274:2 276:20 277:6,21 278:5 278:10,11,16 279:12,16,17 288:5 300:4 meetings 121:21 122:1,3,6,13 122:15 134:16 135:19 143:6 161:19 162:3,4 162:5,14 211:4 217:17 275:23 276:1,23 277:3 279:9 280:12 megawatt 289:9 289:17,22 290:2,13,15 291:18,21 293:19 member 284:4,5 members 138:14 165:2 memory 138:2 143:8 194:6 212:3 277:13 279:12 Memphis 189:11,16,18 189:19 281:23 283:8,17 284:3 284:8 285:2,11
---	---	--	--	--

William McCollum

11/13/2019

Page 317

285:23 286:10	295:22 296:6	months 98:7	209:18 220:7	102:3,6 109:7
286:12 287:11	297:20	100:11 130:22	265:8 266:4,7	109:15,23
287:15,19,23	mind 149:16	140:21 141:12	ND1664 93:9	120:7 122:17
288:1,3,13,16	213:16,19	142:9,15 181:2	ND1830 93:14	125:9 126:6
289:3,14,19,21	277:5	211:22 214:1	ND1866-ND1...	127:10,20
290:1 291:16	minds 168:2	229:10 264:18	93:17	128:3,5,9
291:20 292:13	minimum	months' 166:18	ND2937-ND2...	129:13 130:1,7
295:21 297:6	209:18	211:3	93:12	142:1 168:13
297:21 298:5	minute 108:15	Morgan 97:4,6	ND3287-ND3...	169:21 171:9
298:11,16	113:9 296:23	97:18 118:15	93:23	172:9,23
299:1,4,11,22	minutes 163:21	215:12 218:16	ND3466-ND3...	173:11,16
300:5,7,12	287:5	218:19 219:12	94:3	185:19 215:14
mention 140:9	misleading	222:14 223:16	ND3474-ND3...	215:16 216:4
mentioned	255:18	227:11,16	94:6	219:10 221:7
110:6 113:13	MISO 289:1,8	228:10	ND3543-ND3...	251:23 252:8
124:18 127:15	MISOEnergy....	morning 96:15	94:19	262:4 265:1
132:14 134:15	289:11	96:16 148:2	ND4012-4016	needing 168:1
222:12	misstates 235:8	move 106:11	95:20	needs 175:19
mentioning	Mistaken	139:15,22	ND4760-ND4...	199:10 296:22
163:1	234:11	141:8 167:1	94:9	297:15
merger 107:20	mlembke@br...	169:8 176:5	ND5686-ND5...	negotiating
mergers 107:13	91:11	212:18 213:13	95:10	250:6
Messrs 91:13	MLGW 286:12	263:19	ND5691 95:13	NEI 95:5 203:18
met 137:10,16	291:4,16	moved 140:1	necessarily	neither 302:14
163:19,21	296:21 297:12	169:16 184:22	119:16 122:16	net 294:18
172:6 183:4	298:13,18	moving 139:11	necessary 95:15	never 105:23
211:9 276:4,9	299:11 300:17	168:23 172:17	125:5 172:17	108:18 112:20
283:17,23	Mobile 90:10	189:3 190:19	179:2 185:15	151:5 182:13
mid 281:14	mobilization	206:9	201:9 253:8	300:15
289:16	166:10 168:23	Mtgs 93:14	264:9	new 107:1
mid-March	174:20 176:18	multiple 107:12	need 100:19	119:10 156:14
156:23 157:16	176:22	107:13 145:1	113:2 118:20	184:16 195:15
160:16	model 191:22	municipal	122:9,22	199:1,3,6
Midcontinent	193:2 249:21	297:17	125:20 126:2	201:3,10,13
288:20	modifications		126:23 135:1,3	275:3,13
middle 130:17	207:8	<hr/>	135:18 169:8	298:13
188:11	moment 107:6	N	170:9 193:22	Newly 227:2
midway 254:23	157:4 205:6	N 90:1 91:1 92:1	205:6 207:8	nine 167:6 200:2
Mignogna 114:1	292:22	name 201:10	209:18 212:17	ninety 203:23
121:2,3 122:3	money 122:22	253:8 256:7	213:13 214:7	204:10 266:11
133:17,20	122:23 170:7,9	262:3 291:2	215:6,8 222:15	266:21 267:1
134:9,12	171:4,8 172:4	named 187:17	225:11 248:10	Nodding 157:12
136:16	172:9 173:6,10	names 252:9	262:17 269:21	noon 229:3
milestones	173:16	290:20,23	needed 98:10,14	normal 100:17
165:15	month 210:21	NCFR 119:4	98:22 100:13	105:7 107:3,6
million 289:6	260:12	ND 93:19,20	100:15,22	108:1,12 143:5
		94:8 165:6,7		

William McCollum

11/13/2019

Page 318

North 89:15 90:8 91:8 NORTHEAS... 89:2 NORTHERN 89:1 Notary 89:23 note 160:3 196:19 214:20 215:1 notes 143:3,7,9 143:11 notice 139:6,8 201:5 232:4 285:10,13 notification 201:8 noting 243:22 notion 122:18 145:21 223:16 notwithstandi... 150:20 260:14 November 89:17 96:1,9 126:16 129:20 129:22 170:23 222:10 230:19 239:17 258:19 258:21 259:1,3 259:6,14 260:12,17 267:9 272:19 272:23 281:14 NRC 93:9,14 94:5,10,13,15 94:18 95:4,16 97:1 102:4 103:7 104:10 106:10,11 113:4 115:11 116:1,10,20 117:9,13,21 118:2,3,9,9 119:15,20 121:22 122:2,5 122:10,17	124:6,20 125:7 127:21 128:18 135:13 136:7 136:10 137:2 137:13,15,18 138:12,16,19 139:8,23 142:1 142:7,17 147:10 153:16 161:1,7,10,15 161:16 162:6 163:19 164:10 166:1 168:5 179:6,11,22 180:6,11 181:6 182:3,13,18 183:11,22 184:13 185:9 189:3 192:1 193:22 195:3 195:11 197:16 198:2 200:6 202:22 203:6 203:18 206:22 207:3,7,12 208:10,15 211:2,8 213:22 213:23 220:8 227:19 230:23 233:16,20 234:7,23 235:5 236:20 237:16 239:5,18 240:1 240:2 241:22 242:17 244:1,9 247:2,5,23 248:18 249:18 251:15 254:8 254:14 255:5 256:6,12 257:13,23 258:18 259:11 260:10 261:21 262:9,13,21 263:1,4,7 264:3,6,19	266:8 281:17 281:18 NRC's 197:13 NRR 242:4 nuance 285:17 nuclear 89:6 93:16 96:22 97:18 98:15,23 101:4 110:12 110:13,14 112:6 117:6 118:16 120:3 123:15 125:2,9 125:18 131:7 134:16 135:2 136:21 138:8 141:1,2,3 146:20 148:12 148:21 154:17 155:3 156:21 157:14 160:14 161:18 165:4,5 165:5 166:10 166:14 171:7 171:20 172:8 172:20 173:19 181:7 185:9 187:5 188:14 188:15,19 189:7 192:13 195:19 197:13 199:14 224:8 224:21 228:20 230:4,9,22 232:17 233:19 235:2 236:12 237:12,15,18 238:15 239:11 241:8 242:9 243:9 244:2,9 244:19 245:6 245:18 246:11 247:7,17,19,22 249:2,13,20 250:13 251:3 251:14 253:9	253:12 255:2,4 256:8,23 257:4 257:9 258:11 259:18 261:2 262:5,14 266:23 267:10 270:8,20 271:5 274:2,2,5 275:14 276:11 276:21 277:2 278:6,17 279:2 279:6,11 280:9 280:14 283:13 285:7 286:4 291:20 294:12 296:1 number 93:8,10 93:13,15,18,21 94:1,4,7,10,13 94:15,17 95:3 95:6,8,11,14 95:18,21 113:16 115:2 116:18 117:18 133:14 135:5 136:11 137:5 137:16,19 143:20 146:12 156:11 164:5 166:9 167:5 183:7 184:12 186:4 191:9 194:21 200:2 203:8 204:13 216:23 217:1 230:14 233:13 234:20 242:23 251:9 252:2 256:17 258:5 263:21 267:6 268:14 272:16 277:11 292:6 296:16 numbered 167:5 numbers 197:2 294:1,8,11	298:3 numeral 218:22 220:17 222:1 222:18 223:1 226:3,7 227:17 numerous 106:9 298:9 <hr/> O O'Rear 90:4 101:20 128:13 132:22 133:21 134:1,4 144:1 144:4,23 151:10 155:15 156:14 158:7 158:11,15,20 158:23 159:7 159:13,19 169:13 173:3 175:14,18 176:1,4,12 178:19 179:15 179:19 196:6 196:13 202:23 205:11,23 206:5,15 223:9 229:3 232:1,8 232:19 233:1,9 234:10 235:7 236:17 237:21 238:3,11,14,19 241:10 245:20 252:5 255:16 258:23 259:21 260:1 263:14 263:18,20 265:14,21 270:10,14,22 271:14 280:3 280:21 296:23 297:4,6 301:5 o-p-e-r 167:7 O&M 294:23 oath 199:11 object 110:12
---	--	--	---	--

William McCollum

11/13/2019

Page 319

144:23 234:10 238:3 255:16 259:21 objection 128:13 132:22 158:7 169:13 173:3 176:1,12 178:19 196:6 205:12,14 232:19 233:9 235:7 236:17 237:21 238:18 241:10 263:14 270:10,22 280:3 objections 271:14 obligated 103:22 247:11 270:19 obligation 248:13,18 270:8 271:13 obligations 247:5,13 248:1 248:22 249:1 260:16 obtain 120:3 126:4 162:17 167:7 169:23 173:17 174:21 181:7 269:19 275:18 obtained 174:9 obviously 139:18 154:4 275:3 occasion 117:1 occur 161:22 176:21 177:3 177:20 209:11 268:8 281:18 occurred 98:6 119:14 142:2 162:4 166:19 193:12 206:19	237:14 246:1 260:17 276:17 occurring 276:16 October 130:20 239:13 282:1 284:9 285:1 286:11,20 291:19 292:14 298:11,17 300:5,10,18 off-taker 270:2 270:3 Off-the-record 96:12 offer 119:15 207:4 241:17 241:23 291:23 295:8,11 office 91:15 137:19 190:16 203:6 250:7,23 251:3 276:19 278:19 officer 272:9 277:10 officials 142:7 276:5,10 OGC 157:18,20 158:2,6 159:9 159:12 160:10 Oh 137:3 144:6 226:10 249:23 275:10 297:13 298:15 okay 106:6,16 106:20 108:23 109:9 111:23 117:15 118:17 135:20,20 143:17 144:4 144:18 146:5 147:22 150:17 152:12 153:3,8 154:12 158:20 163:23 164:4	164:16,18 166:5 167:19 170:15 175:11 178:5 181:7,16 181:16 188:10 191:8 194:14 198:11,23 200:1,21 202:20 203:7 203:16 204:12 208:23 210:12 210:20,23 212:4,14 213:20 214:3 214:15 215:4 217:20 218:17 218:21 221:8 221:16 222:9 222:18,22 227:12 229:2 230:9 231:23 232:12 237:11 238:8 242:2 244:22 248:5 250:3 251:8 253:20 254:17 256:18 258:3 259:4 260:22 262:19 263:17 266:2 267:4 268:20 273:11 280:7,21 295:20 297:13 old 107:8 201:14 once 126:12 131:15 138:20 211:1 213:22 214:10,16 245:1,5 246:8 257:23 ongoing 148:3 150:8 187:6 207:18 OpCo 220:7 open 149:16 162:9 271:4	opened 158:9 159:2 operate 201:14 operating 135:2 139:15,16,21 162:17 167:7,9 174:15,21 197:18,19 201:11 202:2,9 208:12,13 272:8 292:4,4 292:18 295:2 295:10,13 operation 138:8 272:12 283:2 operations 137:12,14 188:15,19 operator 213:9 288:20 opinion 119:11 119:13,15,19 202:19 opportunity 206:3 opposed 107:17 289:17 optimistic 299:16 oral 179:15,20 Ordaz 187:4,11 187:12,16 order 128:4 206:13 252:9 258:12,21 259:12 orderly 228:19 organization 125:16 147:2 183:21 184:16 276:17 organizational 184:14 original 253:3 output 300:19 outside 202:8	271:7 outstanding 199:7 overall 141:14 257:2 294:1,7 294:11 overlap 124:9 overly 216:3,7 overnight 96:17 owned 259:18 owner 134:20 212:7,11 220:8 ownership 166:12 174:10 176:9 181:8 197:18 257:3 <hr/> P P 90:1,1 91:1,1 92:1,1 p.m 229:20,22 229:23 230:2 280:23 281:2,2 281:4 301:11 301:13 pace 172:16 Package 95:19 page 93:2,7 95:2 114:10 119:2,7 147:23 164:16 165:21 186:8 186:13,21 188:11 189:20 197:1,5 198:8 200:1,22,23 203:16 206:17 217:20 223:5 225:1,17,17,18 226:4,7,9,17 230:16 231:6 231:17 233:12 233:12 239:22 240:9 242:22 243:11 249:17 249:17 250:2 251:8,10
---	--	--	---	---

William McCollum

11/13/2019

Page 320

252:13 253:18 253:21 254:17 254:18 256:16 258:4,4 260:21 261:9 264:6 265:4,5,18 267:15 293:5 293:13,17 pages 205:5 206:5 216:11 218:2 251:23 261:6 Paper 114:10 117:16 118:18 120:4,11 121:16,17,20 122:18 paragraph 115:4 116:19 117:18 119:8 119:10 165:11 191:17 192:4 192:23 198:12 200:2,22 202:1 233:15 239:23 243:12,12 244:23 249:20 250:1 251:11 252:16 253:22 254:22 255:1 261:10 265:4 265:18 266:3 parallel 253:14 part 94:10 99:23 105:20 117:16 140:19 141:13 169:8 172:14 180:15 221:15 227:18 228:8 232:8,9 241:9 265:3,4,18,20 284:5 295:13 participant 279:2 participate 107:16 213:10	217:8 281:6,16 participated 275:22 280:10 particular 135:23 137:7 147:5 196:3 particularly 274:9 parties 107:12 115:15 302:14 partners 105:8 125:4 126:1 127:1 parts 104:12 party 107:17 108:8 pass 247:23 passed 118:2 168:4 path 93:11 209:5 Patrick 160:20 pause 126:20 pay 249:13 paying 291:5 payment 271:10 pays 289:19 PD 257:5 pending 119:11 198:15 205:23 237:2 people 97:15 98:9 99:21 137:5,17 139:1 147:10,13 184:15 189:16 219:20 277:11 290:4,14,17 percent 203:23 204:10 296:22 297:15 perception 216:20 perform 139:10 247:12 248:14 265:10 271:8	286:5 performed 254:16 285:22 performing 219:21 248:23 period 100:11 101:8 122:7 123:11 127:4 166:22 211:22 217:3 245:23 246:12 248:20 257:22 261:12 261:13,18 266:9 267:20 282:13,21 285:11,14,18 286:9,18 permissible 237:18 238:15 239:3 permission 237:8 permit 95:10,13 117:20 118:1,5 119:3 133:8 145:18 146:22 148:4,14,22 149:11 167:6 167:15 168:3,9 168:15 169:4 169:22 170:22 171:10 172:1 172:10 173:2 173:18 174:21 175:9 177:18 180:13 181:19 191:5 192:21 194:3,11,15 202:17 220:23 240:1 249:19 252:13,17 253:3,9,11,16 253:16 262:6 267:23 268:6 permits 97:2 99:3 101:15	106:5 108:7,20 109:6 110:11 113:3,8,13 114:15 115:7 126:14 131:9 138:11,18,21 139:12 140:12 140:18 141:6 142:1,11,14,23 152:10,16 153:21 154:2 162:22 163:2 165:7 167:18 174:2 180:19 181:9 185:5 188:2,6 199:18 208:17 212:11 219:16 231:1 232:15,16 233:6,21 234:6 235:3,12,13 236:4 237:19 237:20 238:12 239:3 240:3 242:17 243:6 245:2,5,14 246:2,9,13,21 246:23 247:11 247:19 248:1 251:17,22 252:8,10 254:3 255:7,15 256:7 257:3,14,23 259:19 261:22 262:2 281:20 287:6 persisted 217:2 person 137:13 137:13 193:3 225:19 personally 102:13 110:16 111:23 112:21 133:6 271:19 personnel 118:13 122:2	278:12 279:14 281:7,17 pertaining 134:10 278:5 279:2,6 Peters 186:10,14 phase 225:19,23 250:17,17,20 282:23 283:1 phone 134:11 149:1 183:18 184:6,10 185:1 185:21 187:4 187:10,18,23 278:23 279:5 280:8,16 phrased 149:6 physical 245:7 245:12 246:3 247:6 248:2 pick 220:21 Piers 90:16 pile 204:19 place 89:14 91:7 125:20,21 126:10 127:1,2 149:15 166:23 168:23 170:6 170:14 177:6 191:1 209:19 223:12 227:10 233:7 260:15 placed 242:5 places 274:8 plainly 205:19 Plaintiff 89:7 90:3 plan 94:2 142:12 193:5 227:19 227:22 228:23 261:1,10,11,15 261:17 planned 244:1 planning 147:16 225:8 plans 98:18
--	---	--	---	--

William McCollum**11/13/2019**

Page 321

124:3,7 130:8 132:10 165:6 165:13,16 191:23 192:2 245:6 plant 135:3 138:22 139:12 178:13 223:22 224:1 232:17 233:7,21 234:6 234:7 235:4,5 235:14,17,18 236:4,8,8,13 236:14 237:6,8 239:4,5 242:5 242:18 243:2 243:14 247:8 261:16 283:14 283:22 286:20 292:4 296:21 297:15 plants 94:12 233:23 234:14 237:12 239:12 239:17 240:3,5 240:9 241:1,16 247:7 300:22 play 145:23 274:3 please 186:15 191:23 238:9 plenty 115:11 116:19 Plus 290:6 point 99:14 122:23 127:10 139:23 180:18 181:5,6 184:20 185:17,17,23 186:1 188:5 190:20 204:7,9 213:21 229:9 235:13 245:20 248:4 281:16 285:12 286:8 291:9 299:20	points 288:15,17 Policies 94:18 policy 94:11 196:11 197:8 233:23 234:14 239:12,17 240:6,9 241:1 241:16 243:2 250:8 251:7 271:4 portion 127:12 position 122:20 122:21 187:17 188:13 189:1 244:20 possession 143:12 possibility 148:10 149:17 150:19 167:23 224:8,17 247:20,23 258:18 259:11 possibly 210:22 260:3,5 post-closing 248:13 potential 126:1 185:8 189:11 189:19 213:8 279:20 281:7 281:11 285:22 288:12 289:4 292:3 power 117:6 189:12 236:12 269:7,9,22 270:2,5,9,20 271:7,23 272:10 284:1 284:13,21 285:5,15 287:20 288:3 289:1,5,12,13 290:9,11 291:3 291:21 300:19	PPA 294:17 295:1 practical 134:22 practice 143:5 pre 143:18 precedence 115:12 precedent 115:5 116:22 preliminary 269:6 preparation 109:15 152:8 152:15 169:20 prepare 96:18 107:9 156:19 166:3 prepared 214:5 261:1 preparing 108:10 129:1 146:21 154:1 154:14,19,23 155:20 157:10 present 136:16 215:20 232:19 277:1,1 presentation 202:21 281:22 284:8 285:1,20 288:13 292:13 298:10 300:4 presented 297:21 presenting 296:3 297:23 preservation 245:7,12 246:4 247:6 248:3 preserved 207:17 president 188:14,18 Press 95:19 291:16 pretty 101:2	273:23 previous 117:5 118:1 163:16 198:14 215:11 271:23 previously 95:1 96:4 113:17,21 120:17,21 139:16 143:21 152:1 191:18 191:22 203:9 203:13 204:8 204:14,18 268:15 292:7 292:11 price 292:1,15 292:16 293:20 295:14,16,18 296:8 prices 289:1,2 289:13 primarily 129:5 131:13 prior 106:18 113:4 120:4,4 120:7 121:7 128:21 181:8 183:15 208:8 233:18 234:8 235:1 245:13 246:5 247:17 261:18 Pritchett 89:20 302:20 privilege 132:23 205:18 privy 159:15 probably 141:21 problem 109:17 117:19 problems 281:7 procedures 94:19 183:23 195:4 274:8 proceed 116:3 232:18 262:14	267:12 process 95:9,12 96:22 97:4 103:9,16 114:14 126:9 129:15 140:21 169:17 190:19 208:9 211:3,17 211:22 250:16 250:20 275:4 processing 142:13 produced 192:13 product 128:9 130:1 132:4 Professional 89:22 program 123:14 127:5,16 128:4 129:10 132:9 190:16 207:17 209:19 210:2,7 210:14 212:7 212:12,23 226:5,11 250:7 250:23 251:2 256:20 257:2,5 257:8,17 276:19 299:3 progress 190:4 progressing 141:14 prohibited 224:11 project 99:18 124:2,16,17 125:18 126:3 134:18,23 135:8 136:3,4 137:18 141:9 141:14 165:4 165:13,14,22 169:2,8,18 171:5,13,14 179:11,22
--	---	---	---	--

William McCollum

11/13/2019

Page 322

180:6,16	provided 103:19	pursuant 251:11	109:10,12,18	158:1,5 281:12
181:11,13	124:10 205:19	pursue 114:13	116:6,8 117:2	ramp 190:22
183:20,20	243:21 250:22	288:3	117:3,5,5	ramping 165:16
184:2,3,18	262:15 263:9	pursued 250:15	126:21 127:8,8	range 289:17
185:2,9,10,15	265:8 285:11	pursuing 249:21	134:6,8 149:6	rate 289:8
187:21 188:4,4	provider 296:20	put 97:10,15	150:22 157:3	rating 294:13
189:17,19	297:4,9,11	98:9 102:20	157:13 158:22	re-reading
190:2 213:10	providing	104:6,21 105:3	163:15,16	119:4
227:12 249:21	101:13 285:13	125:21 127:17	171:18,19,20	reached 204:9
275:21 277:9	provision 196:4	138:8 139:18	175:13,17	234:1
projecting	232:20	154:6 160:18	176:3,6,7	reactor 184:16
192:19	provisions	162:18 168:19	179:20 188:17	reactors 134:21
projects 283:14	197:11	170:6 172:9,12	196:12,15	read 114:7
property 99:4	public 89:23	173:1 219:14	200:5 206:1	117:17 118:20
166:14,22	95:4 182:19	239:9 256:7	208:4,5,20,22	119:12 195:7
171:16 174:4	202:21 203:2	266:7,17	213:21 223:12	195:14,17
174:19 176:18	203:18,22	275:20 284:2	224:14,15	197:23 200:7
176:21 181:8	206:22 232:6,8	putting 97:8	225:3 236:18	200:15 201:18
181:14,20	232:9 254:5	107:16 126:10	237:22 238:5	211:6,12
184:21 190:22	264:14 302:21	191:1	238:20 247:21	214:13 237:23
268:6 274:6	publication		252:6,7 255:17	238:2,8,10
277:17 280:1	195:4	Q	255:18 271:16	243:2 252:5
proposal 252:16	publicly 289:10	QA 128:4 129:8	questions	255:9 265:23
proposed	289:21	132:9 207:5,13	100:18 109:11	271:22 293:9
129:10 172:1	pull 100:16	207:17 209:19	123:17 159:2	reading 114:17
228:11 251:17	120:21 268:18	210:2,7,14	175:22 195:12	178:5 195:10
254:3 264:12	292:10	212:7,11,23	200:18 205:13	202:1 265:15
proprietary	punch 214:5,17	216:9 256:19	205:15 211:5	reads 197:11
232:2	214:19 217:6	257:2,5,8	276:2 301:4,5	ready 124:16
prosecute 171:5	217:23 218:2	260:16 261:10	302:8	126:17 127:20
prosecution	218:10,13,22	Qualification	quickly 141:8	128:10,17
124:15	219:14,18,23	227:2	142:16 211:11	130:3,13 132:4
prospective	222:2 223:6,16	qualifications	Quirk 278:17	141:11 167:1
242:13	225:2,17 226:4	98:20 105:1	279:6	178:16,21
protection	226:9 229:8	109:23 119:9	quite 100:14	179:2 183:21
264:13	282:15	127:6 222:2	276:8	206:4 210:2,3
protocols	purchase 138:7	226:18 265:10	quo 245:7,12	222:16 268:11
139:10	162:16 165:4	quality 98:19	quote 197:15,16	274:5 288:19
prove 103:10	224:11 230:6	104:23 127:5	QV 257:17,19	realistic 178:15
provide 97:12	248:21 270:5	127:16 128:14		183:2 258:18
101:17 102:3	296:1	129:6,10 226:5	R	259:10 283:5,7
102:21 103:23	purchasing	226:11 257:5	R 90:1 91:1 92:1	286:23
104:9,14	108:4	257:20 260:23	96:8 301:10	realization
111:14 115:12	purpose 285:19	question 106:3	302:1	170:2
174:17 266:4	287:17	106:14,14	raise 156:22	realized 172:5
291:11 300:8	purposes 124:19	108:15 109:8	raised 156:18	really 135:17

William McCollum**11/13/2019**

Page 323

150:3 240:21 274:3 277:13 278:3 realtime 89:21 289:12,13 reason 114:4 120:6 123:1,5 148:16 211:14 reasonable 288:23 recall 97:17,20 112:14 113:5 113:11 114:16 114:19 121:1 123:6 131:21 132:3 134:9,11 134:13 136:11 136:13,23 137:1,4 138:3 140:14,16 141:20 142:21 143:2 145:13 146:1,3 152:11 153:7,14 154:11 155:5 155:17,21 158:4 162:10 162:19 180:2 180:10 182:21 185:3 187:22 188:9 190:12 192:18 193:15 194:1,14 195:14,17 202:20 204:3 205:3 207:12 207:14,15,22 220:2,3 221:11 229:15 230:4 272:2 273:4,18 273:20 277:22 278:1,8,10,22 278:23 279:8 280:10,11,18 281:9,22 282:3 282:18 285:16	287:22 292:19 296:13,15,18 298:4 300:9,17 300:22 recalling 203:5 receipt 201:7 receive 250:9,14 251:4 received 109:16 109:19 114:5 118:19 120:14 195:8 250:20 268:5 receiving 121:1 146:17 183:15 184:7 285:7 recess 229:21 recognize 113:22 239:10 recollection 112:23 130:4 132:1 137:6,21 140:5 149:6 156:1 161:23 163:20 179:23 188:21 191:7 195:13,16 199:23 210:9 210:14 255:12 266:14 267:3 280:5 recommend 288:2 record 96:10 151:14,18 160:4 163:8,10 163:14 196:20 205:13 229:18 229:20 230:2 235:8 238:2,10 280:23 281:4 301:11 recurring 217:12,16 reduced 302:9 refer 117:3	139:2 205:5 234:13 reference 229:9 242:16 referenced 113:18 120:18 143:22 147:22 152:1 203:10 204:15 239:16 240:17 268:16 292:8 298:8 references 241:18 referred 252:23 279:13 referring 106:21 116:22 122:10 128:14 178:9 214:23 215:3 223:3,4 232:21 232:22 238:11 239:16 240:12 245:23 255:17 257:13 269:18 274:18 285:20 297:6 refers 144:14 166:13 185:7 257:17 272:23 273:8,10 reflect 191:23 251:17 255:6,7 reflected 170:11 170:18 193:20 193:22 reflects 223:16 refresh 118:23 137:6 138:1 194:6 205:6 210:8 212:3 255:12 refreshes 140:5 refurbish 125:5 162:17 refurbishment 178:12	regard 99:2 104:3 118:8 170:16 246:14 247:3 248:2 255:14 263:11 271:13 regarding 97:12 107:19 123:13 132:18 134:17 147:8 148:3 150:8 153:23 205:16 244:7 264:11 regardless 125:16 Region 139:9 Registered 89:22 registering 216:18 regulated 106:11 regulations 125:7 197:14 197:15 254:8 254:14 274:3 regulatory 116:22 134:17 135:2 153:16 181:22 197:13 221:1 223:6 239:11 264:13 267:10 reimbursed 249:2 reiterated 153:22 related 98:18 101:1 207:4 273:10 276:7 276:10 279:11 281:11,12 286:6 relates 202:2 257:22 relating 104:3	123:17 165:12 187:5 247:6 276:5,21 280:8 280:13 relationship 135:8 relatively 154:5 relied 202:12 254:15 relief 199:10 relies 296:21 297:14 rely 223:18 remain 220:5 239:3 remained 118:6 remains 244:13 remember 123:4 144:18 145:4 156:6 164:1 182:17 184:9 187:14 277:14,20 290:23 291:2 remembered 127:7 renewal 243:23 244:13 reopen 160:5 196:21 rephrase 178:22 replacement 178:12 report 206:18 288:14 REPORTED 89:19 reporter 89:21 89:23 234:18 reporting 95:3 203:17 298:6 reports 137:17 represent 192:12 representation 283:13 285:17
--	--	--	--	---

William McCollum

11/13/2019

Page 324

representative 288:10	125:7 254:7,13 257:2,8 264:13	responsible 128:23 219:4	revision 257:6,6	204:22 205:4
representatives 291:15 300:11	271:4 274:1,8	222:3 225:19	rewrites 129:17	206:16 208:1
represented 119:19 291:13 295:20	requires 138:18 research 254:11 271:11,17,21 272:5	246:3 272:11	right 98:5,13,16 98:21 100:7	209:6 210:5,17 211:6,8,12
representing 160:14 161:15 161:18 243:9	reservation 205:12,15	rest 215:5	101:2 102:15	212:4,19 213:2
represents 119:11 302:10	reserve 160:4 196:20 232:11	restate 237:22	104:1,11	213:12 214:1
Req 94:2	Resnick 90:16	result 254:5 302:16	105:10,22	214:13,15
request 94:9	resolve 168:2	results 285:21	107:23 108:11	215:19 216:17
112:21 113:9	resource 138:19 165:13	288:11 296:4	108:18,23	218:6,9,12,21
117:21 118:3,5	resources 125:19 126:2	298:1,6	110:6,16 111:1	220:1,4,17
124:1 138:10	138:16 139:8	resume 139:1	111:10,17	221:11 222:3
140:11 165:11	140:19 165:17	resuming 96:17 261:19	112:11 114:16	223:11,22
211:1 213:23	169:7 170:6	returned 193:2	119:6 120:2	225:16 226:17
236:20 240:2	171:5,9,22	revenue 290:11	121:13 124:23	227:1,17 228:4
243:22 266:20	176:19 188:4	reverse 206:13	127:15 129:8	228:12 229:16
269:20,23	190:23 191:1	review 138:19 140:20 142:10	129:23 130:6	230:19 231:5
271:5	193:23	206:3 211:3,10	130:11 131:3	232:11 233:11
requested 109:14,19	respect 187:6 205:13	214:11 218:6	131:21 132:7	234:3 235:19
120:10 230:5	respond 133:19 264:18 269:13	258:6,20	133:2 134:13	237:7 239:9
233:18 243:17	269:15	259:11 262:14	136:5,18 137:1	241:7,12 242:6
250:19 258:6	responded 208:3,23 212:5	262:18,21	138:3 140:3,9	242:11,21
262:11 266:8	212:21 269:16	264:19 265:7	142:5 143:17	243:11 244:22
266:17	274:11	265:20 267:12	144:10 145:11	245:4,4 246:10
requesting 110:18	responding 134:9 211:4	267:17,20,23	146:10 147:19	247:1,8,10,15
requests 190:17	response 149:9 207:20,22	274:12 297:17	148:4,5 150:4	247:21 248:12
198:14 199:2,9	214:16 248:23	reviewed 264:7	151:5,9 152:4	248:19 249:12
199:10,15	275:3	reviewing 119:1 119:7,22	152:5 153:13	249:16 250:4
233:20 234:2	responses 207:6	120:23 144:9	154:20 155:13	253:18 254:21
250:21 251:15	responsibilities 197:19 227:20	156:13 183:9	156:4 157:19	255:23 256:15
255:2,5 258:12	275:10	186:6 191:20	160:4,18	257:16,21
require 138:11 140:19	responsibility 131:14 137:14	198:9,11 200:3	161:14 164:13	259:23 260:9
required 97:11 139:7 171:23	257:1,8 272:9	203:15 204:20	164:20 165:10	260:12,20
197:17 208:11		205:22 222:21	165:19 166:16	261:2,4,8,13
222:5 258:7		231:7 239:20	168:10 172:7	261:20,22
271:8		250:3 260:22	172:19 175:10	262:6 263:5
requirements		267:8 293:2	176:15 177:7	266:6,23
		reviews 142:19	177:15 179:13	267:20 268:21
		revise 106:10 139:21 163:16	180:10 186:18	269:1,3,11
		revised 193:17	186:20 187:10	270:6 271:1
		244:7 255:8	187:14 191:16	273:5 274:13
		256:8 268:4	192:6,9,18	274:20 275:5
			193:15 194:19	275:17 277:18
			195:21 196:20	277:20 278:15
			197:8 198:7,12	286:16 287:8
			198:20 200:1,8	291:3 292:21
			200:15 202:4	293:12 294:16

William McCollum

11/13/2019

Page 325

296:2,19 298:20 300:3 right-hand 197:2 rights 269:20,21 270:1 271:6,9 272:1 risk 221:1 254:5 299:2,6 road 221:22 Rody 290:21 role 136:1 145:23 154:18 189:10,14 276:1 Roman 218:21 220:17 222:1 222:18 223:1 226:3,7 227:17 room 137:20 roughly 132:7 174:3,9 180:22 221:15 rounds 190:17 RSA 90:7 rule 235:1 ruled 237:16 rulemaking 119:10,12,13 119:21 run 289:16	244:2 248:21 281:12 sales 100:5 103:22 290:11 satisfaction 127:13 satisfied 248:2 263:1 savings 285:23 288:12 289:4 295:22 296:6 297:20 saw 104:13 saying 104:3 107:10,17 116:4,8 123:5 148:6 204:3 205:9 212:5 214:5 235:22 236:1,15 241:22 274:12 284:18 289:20 300:22 says 117:19 122:8 148:1 160:23 165:8,9 165:13 175:17 183:17 186:13 186:14 187:3 190:3 191:21 198:1,13 200:10 201:2 203:21 207:2 214:9 217:5,11 220:21 224:2 225:11 227:18 235:23 239:14 242:3,7 243:16 254:2 255:4 256:22 269:4 293:22 294:16 294:22 295:7 scchin@tva.gov 91:21 schedule 165:13 165:22 166:3	167:4,5 169:15 170:4,12,19 171:3,23 172:6 172:17 173:22 174:5,6 182:23 183:4 190:6 191:17 193:17 194:2 217:12 220:23 258:7 268:5 282:20 schedules 124:7 130:8 132:11 184:22 scheduling 121:21 scope 125:17 261:10 SEC 290:8 second 165:10 165:15 186:8 186:12 192:23 219:9 222:22 225:1 239:19 239:22 242:22 253:22 258:10 290:23 293:5 293:13 section 197:7,10 197:11 225:18 233:23 240:5,8 240:13,23 241:15 242:2 242:12,17 244:1 253:8,16 256:19 257:16 258:6 261:9,9 securing 169:17 security 245:7 245:12 246:4 247:6 248:3 254:4 273:10 274:2,2 security-related 273:15 see 100:17,18 116:1 140:4	143:10 145:15 160:21 161:3 164:14,17 167:10 184:4 186:11,16,23 187:8 189:22 190:6 192:3 193:5,9,10 197:21 198:17 199:12 200:4,9 200:12 201:2 201:16 203:19 204:1,2 206:18 207:10 208:1,6 209:12,21 211:18 212:23 213:6 214:7,21 215:8 217:9,14 219:22 220:9 220:19 221:3 223:23 224:4 225:20 226:6 226:12,19 227:5,19,22 228:2 230:20 235:9 240:6,7 240:10 242:12 242:16 243:14 243:18 244:4 244:10 245:1,9 249:21 250:4,9 251:10,20 252:14 253:23 254:9,19 255:1 256:19 257:10 257:17 258:8 258:14 264:15 265:21 273:1 273:16 283:4 289:13 293:7 294:3 295:3,4 seeking 102:13 112:2 seen 177:7 203:14 204:21 210:12	selection 221:8 sell 269:8 291:20 selling 108:3 senators 277:7 send 126:7 138:23 139:5 181:23 192:7 200:5 222:16 299:4,12 sending 121:8 166:5 195:3 214:12 219:12 sense 121:17 122:17 123:1 sensitive 273:14 sent 119:18 121:11 164:9 165:23 191:17 191:22 192:14 195:8 208:2 232:14 266:15 sentence 123:7 123:10 197:10 239:21 242:3 245:1 250:5 251:14 255:1,4 256:13,22 258:11 295:4 separate 117:3 168:6 separately 215:23 September 191:13 193:9 194:7,16 195:1 267:17 268:2 287:7 series 144:10 217:18 servers 99:20 service 162:18 297:11 set 153:19 187:4 274:8 295:2 setting 122:1,5 153:10 172:19
---	---	--	---	--

William McCollum**11/13/2019**

Page 326

273:13 settled 183:21 seven 200:23 seventeen 259:13 seventy 291:18 seventy-five 289:18,22 290:1,15 seventy-four 289:18 290:12 seventy-three 261:5 SGI 273:1,6 shame 154:3 Shannon 92:4 Shea 95:6 102:18 103:2,4 104:4,19 105:17 110:19 111:1 112:20 133:5 144:11 144:15 145:2,4 146:5,16 147:4 148:1 149:2,7 150:4,10,20 151:4,5,21 152:7,13,19 153:5,10 154:17 155:2 155:22 157:1,5 160:16 Shea's 155:7 Shelby 288:1 Sherry 278:16 278:17 short 153:20 268:13 280:19 shortly 100:4,4 182:1 199:5 208:1 show 120:20 133:12 143:17 146:10 156:9 163:5 164:7 183:5 186:2	191:11 194:19 203:12 204:17 230:12 267:4 272:14 shown 251:18 262:5 288:21 shows 174:18 176:8 sic 96:9 side 102:22 136:21 sign 208:4,20 213:5 241:9 signed 100:6 231:5 241:8 243:3 significant 189:9 283:15 significantly 289:2 signing 213:22 similar 124:5 219:21 simple 216:15 simplified 216:4 216:7,21 217:2 simply 105:5 162:23 181:22 sir 128:15 144:22 194:12 198:10 222:23 223:5 224:2 253:4 site 138:20 139:9 141:19 162:16 165:5 166:11 174:10 175:2 176:10 176:19 177:20 207:19 228:21 230:7 247:16 248:14 259:18 sitting 110:1 241:13 situation 108:20 108:21 116:12	117:8 118:12 122:14 135:6 six 142:15 221:21 240:9 282:18 283:3 six-month 230:5 sixty-five 291:14 size 125:16 296:20 297:12 297:13 slides 122:9 slots 162:9 slower 172:16 SNC 212:14,23 SNC-Lavalin 129:3,9 261:1 so-called 114:9 Socol 90:16 sold 290:10 sole 123:16 solely 123:19 soliciting 224:12 somebody 148:13 soon 102:18 129:18 170:11 sooner 167:2 sorry 118:20 119:4 133:22 134:1,6 144:7 157:2 175:6 176:6 219:3 223:11 237:22 249:23 265:15 283:23 sort 97:9 106:21 111:14 112:2 124:8 127:2 143:6 173:15 187:21 188:11 277:3 285:16 sounds 191:3 208:3 source 225:12 269:22 Southern	125:17 269:5 speak 112:15 161:10 216:19 288:5 special 274:5 specific 106:15 115:14,15 140:14 157:21 158:3 159:21 188:7 194:14 196:12,14 213:18 232:20 236:16 240:15 specifically 123:9,10 141:20 181:15 200:19 210:16 specifics 112:16 115:10 140:15 146:1 163:3 196:10 291:12 specified 257:3 specify 106:20 269:21 spend 122:22 170:7 171:7 172:21,22 173:10,16 spending 170:8 171:12 172:9 spent 173:6 spoke 147:6 153:5 287:14 287:18 288:14 291:12 300:18 SRI 272:23 273:3,9 stack 268:19 staff 116:20 118:2 122:4 134:17 137:10 138:6,11,15,18 139:20,23 140:7 165:2 184:2 185:10 199:1 202:22	211:4,10 228:20 264:6 264:10 265:7 275:23 298:22 299:19 staffers 207:3,12 stakeholders 189:4,18 288:1 stamped 232:5 stand 257:19 standpoint 103:12 start 115:22 131:4 167:20 172:9 173:12 190:22 237:13 247:4 252:3,3 292:22 start-up 282:23 283:1 started 167:2 274:1,7 275:4 state 199:6 232:1 234:13 267:18 302:3 stated 181:16 205:18 234:11 262:16 298:16 statement 94:11 101:13 104:9 110:9,15 111:14 115:4 115:18 117:19 119:5 132:15 155:18 196:11 208:3 239:12 240:13 250:13 264:23 285:18 286:9 289:23 294:6,7,15 301:1 statements 115:2 119:23 240:19 STATES 89:1 stating 266:4
--	--	---	---	---

William McCollum**11/13/2019**

Page 327

Station 93:16	101:11	177:19 180:1	254:2	269:6 296:10
status 99:3,4	studies 288:21	182:22 191:6	summer 127:13	surplus 277:17
138:22 139:11	study 269:5,18	191:18 199:11	127:22 180:22	280:1
139:12,13	269:19 271:8	199:17 228:9	182:7	surprise 208:19
168:3,9 232:17	285:21 286:2,5	228:23 229:11	Summit 91:17	208:21
233:7,22 234:7	288:11 296:4	230:22 233:4	supervision	surprised
234:7 235:4,5	296:11 298:1,2	250:18 258:17	302:10	148:11,17
235:15 236:5,8	298:7,8	259:6,10	supplement	surprising
236:9,13,14	Subj 93:9,11,14	262:10	139:21	215:21
237:2,6,9	93:16,19,22	submitting	supplemental	suspect 252:1
239:4,6 240:4	94:2,5,8,18	95:16 96:23	264:8,23 266:7	switched 234:6
242:5,18 243:6	95:9,12,19	97:16 138:9	266:16	235:4,10
243:14,23	subject 196:14	258:19	supply 104:22	switching 243:6
244:13 245:7	271:9 292:2,15	subsequent	284:1 287:20	sworn 96:4
245:12 247:8	292:15,17,17	285:14 299:18	supplying	sync 269:22
261:16	submission	substantially	123:23	synonymous
statute 271:12	128:11,21	204:1,11	support 97:16	263:12
stenotypy 302:8	129:14 180:12	substantive	100:16 102:4	system 272:13
step 209:16	180:13 181:18	189:6	102:22 103:4,9	273:13 288:20
steps 208:5,10	187:23 192:20	substantively	103:14,15	289:2
214:6	194:3	233:17	104:8,9 109:7	
Steven 91:14	submit 97:11	succeed 135:17	109:20,23	T
214:10,18	98:18 99:2	succeeding	113:15 124:3	T 291:8 302:1,1
stick 220:15	127:21 128:4	218:2	124:11,13	table 136:21
stipulate 197:16	128:18 130:19	successful	129:2 132:16	252:6
stop 115:19	140:11,17	211:15	135:1,4,23	tactfully 136:1
121:17 123:15	141:4,10 169:9	sufficient	139:11 145:17	take 104:20
stopped 139:19	172:1 173:7	233:17 263:9	147:14 169:7	105:15 108:3,9
207:3	174:1,8,13	263:12 265:9	192:2 193:23	135:12,19
stored 99:19	175:8 181:1,12	suggest 136:2	225:12	140:20 142:9
storing 273:14	188:5 190:20	220:21	supported	142:14,19,19
274:9	199:3 209:16	suggested	110:13 126:23	143:3 146:20
Street 90:8,17	211:1 213:23	153:17 193:1	supporting	148:8 151:10
strengthened	214:7 216:5	253:15	111:14 216:8	154:14,18
288:23	222:17	suggesting	supports 122:18	155:4 167:7
strike 115:22	submittal 118:4	255:14 262:2	supposed 212:6	168:7 171:15
123:3 142:8	129:18 131:2	suggestion	sure 106:13	175:11 205:5
161:16 176:5	167:16 168:5	217:7 220:6	114:8 127:7	208:15 211:17
177:10 263:19	210:4 212:10	suggestions	145:20 157:4	211:22 214:1
stronger 189:10	213:17	207:4	160:9 164:18	214:10 233:7
189:13	submitted	Suisse 294:1,8	164:19 171:1	235:12 266:6
structure 189:5	109:21 118:3	294:11	171:17 182:16	271:7 280:19
220:5,15	126:13,16	suitable 131:20	192:14 199:22	290:9
structured	129:19,21	Suite 90:9,17	215:5,12 225:2	taken 229:22
183:20 294:17	139:16 170:23	summary	232:9 234:12	242:13 273:22
struggled	172:15 173:9	234:11 253:22	236:10 238:4	302:7

William McCollum**11/13/2019**

Page 328

talk 153:18 216:14	124:23 132:21 138:2 139:6	territory 271:7	263:3	122:23 123:11
talked 110:19 138:7,20 139:14 153:20 157:4,8 159:9 169:5 184:13	141:16 153:13 155:2 174:7 180:20,23 181:3,6 182:9 184:9 185:20	testified 96:5 144:16,20 158:12 282:16 287:4	thinking 163:20 167:22	123:20 124:1 125:22 126:11 126:12 127:4 128:18 132:2,8 132:19 135:9 137:11 138:11 138:12 139:23 141:7 142:15 142:18,19 146:19 149:2 150:23 151:4 153:20 162:8,9 166:18 172:8 172:13,14 173:8 174:3,9 174:11 182:2 184:1 185:16 189:4,5,15 190:9 198:15 199:17 204:8 210:1 211:9,17 213:17 215:20 217:3 218:7 219:13 229:10 230:10 233:17 234:1 238:9 239:1 245:21 245:23 253:5 257:22 259:9 261:18 266:10 266:17 272:4,7 274:21 276:4,8 276:9 277:8,14 278:9,13 279:14 282:7 282:11,13,16 285:7 287:2 291:9 295:23 296:9 299:21 301:4
talking 109:13 110:8,9 112:2 112:7 129:7 145:19 146:5 148:13 151:20 187:20 207:13 215:22 246:10 273:11 274:7 277:4	185:22 188:13 264:17 283:8 283:21 287:13 291:10 292:14 292:20	testify 107:6 109:18	third 165:21 225:17,18 226:4 243:12	thirteen 258:4
talks 218:22 242:12	telling 103:18 155:5 269:16 282:3 285:5	testimony 128:2 163:23 177:1	thirty-nine 291:21 293:19 295:16,18 296:8	thought 105:6 105:23 131:19 148:10 150:18 154:3 161:11 163:18 166:11 167:22 168:6 170:4 171:13 210:6 233:1 287:5
target 282:17	ten-month 267:20	thank 144:9 147:12 207:3 301:6,8	Thoughts 212:18 269:10	three 117:18 119:8 130:22 142:14 163:21 164:10 170:19 226:7,9 229:10 249:17 264:18 265:5,18
Targets 95:20	tended 216:10	thereof 283:18	threw 142:15	throw 143:8 216:12
team 147:7 148:2 149:22 150:1,2,7 284:1 287:20 287:22	Tennessee 89:9 91:16,18 99:7 99:17 101:12 108:2,2,6 118:12 132:16 252:17,23 253:6 277:7,7 279:23	thereto 302:9	Tim 97:5 112:8 129:2 131:16 132:18 157:17 157:22 159:5,9 159:11 196:1 230:17	timeline 165:14 188:8
technical 97:13 98:19 103:20 104:23 109:6 109:23 124:6 124:20 125:1 125:10 126:6 126:17,20,22 127:9,12 130:2 132:10 169:6,9 216:8 222:2 265:9 275:21	term 198:22 201:23 235:9 252:22 253:10 256:2,5,11 260:1	thing 97:10 127:2 187:21 207:14,15 212:6,9	timelines 184:3 185:10	timely 118:3,4
Technologies 92:5	terminated 233:21 234:7 235:5,14,18 236:7,14 237:5 237:8 239:5 240:3 242:5,18 243:6 261:16	things 97:14 100:18 105:8 117:13 122:22 124:8 126:10 129:16 135:5 143:8 155:7 184:22 209:20 215:7 219:22 282:20 296:17	timely 118:3,4	
telephone 179:21 180:5 184:12 193:14 217:18	terms 113:14 119:20 128:9 130:1 135:1 171:3 194:2 205:8 210:3 248:10 255:19 256:13 264:12 300:21	think 103:12 105:7 106:21 108:14 119:22 145:1 147:16 147:22 148:20 148:21 149:5 149:14 152:17 157:17,23 159:2 164:15 171:11 177:21 211:14 212:5,6 214:6 215:2 216:10 238:23 255:18 256:1,1 262:16,19,23		
tell 102:6,12,15 105:13,14,18 110:22 111:10 121:13 123:2				

William McCollum

11/13/2019

Page 329

168:5 243:22 244:13 times 102:14 147:2 179:10 289:15 298:9 timetable 192:20 timing 171:3 title 189:5 197:14 titled 223:6 titles 189:8 today 105:18 110:1 145:8 156:5 175:23 241:13 255:22 282:14 287:2 289:19 today's 96:9,19 told 105:23 113:9 140:10 141:9 142:20 145:7,14 149:10,17,23 150:2,5,6,20 151:6 154:2 155:19 156:5 157:11 158:5 158:13,19 159:11 174:12 181:10,11 182:13 190:14 194:1 206:7 208:8,14 210:5 241:9 251:3 255:22 264:6 269:20 284:9 284:19 287:10 290:3,14 291:19 299:1 top 137:13 147:23 189:20 200:22 topic 112:13 152:8,15 155:23 157:18	157:20 190:10 274:22,23 276:14,15,15 286:1 300:14 topics 124:22 140:2 190:4 280:17 total 283:2 totally 275:3,13 Tower 90:7 transaction 105:9 115:9 142:2 200:7 201:7,9 281:8 transactions 107:12 transcript 302:11,23 transfer 93:11 94:8 95:9,12 97:1 101:14 106:1,5,8,18 106:21,23 107:7 108:3 109:5 110:11 110:13,14 113:3,7,12 114:14 115:5 115:14 119:3 124:11,14 126:13 128:5 130:8 131:8 133:9 138:10 140:11,17 141:5,10,17,23 142:11,13,22 145:18 146:22 148:4,15,23 149:8,11 152:9 152:16 153:21 154:1,19 162:21 163:1 165:6 166:9,11 166:14 167:6 167:14,17 168:14,15	169:4 170:22 171:10 172:2 172:10,15 173:2,7,18 174:2,18,20 175:2,9 176:9 176:17,20 177:18 180:14 180:19 181:9 181:19 185:4 187:7 188:1,6 190:5,21 191:5 192:21 194:4 194:10,15 197:15,17 199:18 201:6 202:16 208:16 209:17 211:1 212:10 213:23 219:15 230:23 233:19 235:1 237:3,16 240:1 242:19 245:13 246:21,23 247:18 249:19 251:17 254:3,6 254:12 255:7 256:23 257:7 257:14,23 260:11 261:21 264:12 267:23 274:10 281:19 287:7 transferee 242:14 transferred 245:2,5 246:2 246:9,13 247:17 transferring 108:19 138:17 214:20 215:1 transfers 94:6 115:7 195:5 transition 99:12 99:13 147:7	148:2 149:22 150:1,2,7 227:20 228:20 248:9 269:5,18 transitions 276:16 transmission 269:19,19,21 270:1 271:6,9 272:1,10,13 288:21 292:5 transmit 270:8 270:20 transmitted 218:1,3,18 222:14 227:16 transmitting 231:2 240:1 249:18 273:14 treatment 207:5 207:13,17 tried 169:16 216:14 256:1 triple 294:18 trouble 99:8 true 103:11,13 231:10,11,14 231:15,19 234:23 240:19 244:17 270:6 290:8 299:14 302:11 try 166:21 170:2 213:21 269:23 trying 101:12 102:9 135:10 135:11 136:1 189:17 286:1 turn 103:13 197:1 217:20 249:16 254:17 256:16 258:3 260:20 turnover 227:20 227:23 TVA 99:14,21	100:13,22 101:1,4,17 102:6,10,20 103:2,19,22 104:2,14 105:3 105:15 109:3 109:14,20 110:7,17 112:1 112:9,12,21 118:14,14 119:2 125:17 133:7 139:16 139:18 144:11 145:22 146:19 147:1,11,14 148:7,7,12,18 148:18,22 149:3,4,7,12 149:15,18,21 150:1,10 151:1 152:14,20 153:5 154:9,13 154:21 155:20 156:19,22 157:9,15,18,20 158:6 160:15 165:7 177:12 199:15 202:5 204:9 209:18 224:12 227:21 227:21 228:20 230:18 235:14 236:3,5 237:19 242:8 243:5,16 243:21 245:8 245:18 246:5 247:11 248:6 248:12,16,17 248:22 249:3,7 249:13 257:4,7 259:20 260:15 262:5 269:4 270:7,9,19,21 271:3,6,7,22 272:1,9,12 275:12 277:10
---	--	---	--	---

William McCollum

11/13/2019

Page 330

278:12 279:10 279:13 280:13 281:6,12 285:11 288:3 289:3,23 290:4 290:5,10 291:5 291:13 TVA's 145:17 212:15 271:13 277:16 290:7 TVABLN0328 95:23 TVABLN7572 95:17 TVABLN7584 95:17 twelve 256:16 twenty 289:16 two 104:12 116:18 119:2 130:22 138:8 152:7,12 153:5 165:12 170:19 178:4 193:21 209:13 223:5 236:3 243:11 250:17,20 265:4 282:19 two-thirds 251:10 two-year 166:22 type 115:5 116:21 275:8 types 300:21 typewriting 302:9 typically 143:6 198:13	125:20 293:4 unclassified 273:15 understand 104:20 135:14 149:14 171:1 178:21 198:19 198:22 201:19 205:9 216:1 233:10 234:12 235:20 236:7 237:17 238:20 238:22 247:5 248:16 256:4,5 293:23 297:3 understanding 102:19 105:3 105:11,19 108:12 111:12 118:7 138:15 145:17 147:5 153:22 227:9 239:1 240:16 240:22 241:5 241:14 257:15 258:2 270:15 270:19,23 271:2 295:8,9 understood 105:6 112:5 131:5 232:15 233:3 235:12 235:13 236:3 241:21 247:10 252:21 253:7 256:10 258:16 259:9 undertake 97:22 246:20,22 undertaken 235:6 246:8 underway 124:16 undue 254:5 unexpired 233:21 240:4	unheard 149:13 unintelligible 238:4 unique 115:9 unit 117:20,23 118:5 167:9,14 167:20 168:1,3 168:8 178:7,17 199:16,16 203:22,23 204:8,10,10 221:16,18,22 243:18 244:2 244:13 252:13 253:15 268:3 282:4 283:1,22 284:10 UNITED 89:1 units 93:22 94:3 138:8 139:17 162:17 165:17 176:22 243:13 255:15 257:4 unknown 119:20 unnecessary 176:5 update 180:1,8 190:2 243:21 244:6 updated 298:23 299:12 300:8 300:14 updates 180:4 180:16 upper 289:16 urging 298:12 298:12 300:7 use 112:7 212:15 213:4 255:19 260:1 263:6 uses 142:17 utilities 297:18	valid 118:6 Valley 89:9 91:16 99:7,17 101:12 108:2,6 118:12 132:16 252:17,23 253:6 279:23 varies 162:8,8 various 106:11 139:10 168:12 179:10,10 208:10 290:18 verbal 179:14 179:16,17,17 179:19 180:16 verbally 150:21 269:16 verification 257:20 Vic 211:10 212:2 vice 188:14,18 Victor 137:8,10 137:11,16 138:6 139:20 140:7 161:11 164:10,21 173:23 174:12 Victor's 138:12 VIDEO 89:12 VIDEOGRAP... 92:3 96:7 151:13,17 163:9,13 229:19 230:1 280:22 281:3 301:9 videotape 285:1 view 107:23 114:13 122:14 141:13 210:13 216:4,7,21 217:2 viewed 116:9 virtually 98:13 98:17	visit 207:4 VOLUME 89:11 Volunteer 290:21 Vonna 187:4 vs 89:8 <hr/> W <hr/> w/attachment 95:15 Wait 296:23 waited 299:4 waiting 101:17 waived 205:19 walk 227:21 want 135:15,16 227:19,21,22 254:21 269:7,8 292:22 wanted 104:14 122:19 164:18 298:23 299:15 wanting 132:15 wants 199:1 269:9 Washington 203:3 wasn't 98:22 109:8 112:7 116:4 129:3,17 145:20 147:16 150:2,5,6 151:7 155:20 210:9 216:15 222:15 224:13 266:11 287:16 watched 284:23 Water 90:8 way 101:4 105:7 142:4 149:6 202:14 223:20 228:10,15,15 228:18 234:13 246:15 251:10 276:10 292:23
---	--	--	---	---

William McCollum

11/13/2019

Page 331

294:3,13 we'll 104:22 Weaver 291:9 week 283:18 284:1 287:14 287:19 288:6 weeks 210:18 214:1 went 141:15 264:17 275:21 288:9 294:2,12 295:15 weren't 101:17 103:8 153:23 154:18 156:2 170:13 235:21 284:12 286:19 West 90:17 91:17 Westinghouse 212:16 whatsoever 105:19 Wheeler 291:1 White 114:9 117:15 118:18 120:3,11 121:16,17,20 122:18 Whitten 160:20 wield 269:6 William 89:12 96:3,8 301:10 willing 172:22 262:14 withdraw 297:1 withdrawn 233:22 240:4 witness 159:8 196:7 238:21 302:12 won 126:12 word 231:9,14 255:19 283:11 wording 126:21 words 154:10	263:6 work 97:7,19,22 99:20 102:20 103:3 104:6 107:15,18 122:5 124:12 125:5,13,14 134:22 135:7 136:3 139:19 149:8,10,15,19 152:21 154:10 155:20 169:1 169:17 170:6,8 170:10,16,18 171:14 174:14 189:10 199:2 206:8 207:18 248:10 282:12 292:23 worked 97:7,14 99:15 127:2,3 169:16 174:5 workers 225:12 working 98:8 105:9 118:14 124:2 125:8,22 135:7 147:1 150:5,6,11,19 151:1,7 154:9 166:20 172:12 173:12 180:17 184:1,19 185:8 185:11,19 193:21 212:23 275:8,11 works 205:8 wouldn't 98:17 101:8 104:13 wrapped 288:13 write 104:15 216:10 write-ups 104:7 104:14 128:17 writing 130:18 150:21 written 128:9	130:1,12,23 131:2 132:3 179:16,18,19 180:1,8 220:1 268:12 wrote 129:16 176:20 186:14 210:1 235:19 236:20 243:20 244:6 245:5 WT6 91:17 <hr/> X <hr/> Y <hr/> y'all 122:9 Yeah 105:13 109:17 110:19 125:12 155:17 158:23 202:18 206:15 235:9 year 111:9 178:18 179:3 193:20 194:9 205:21 221:19 275:1 276:13 283:2 286:20 289:5,6 294:23 295:22 296:6 297:20 years 193:21 221:13,21 236:11 282:5 282:18,21 283:3,14 284:11,14,19 284:21 285:7 yesterday 96:19 105:23 106:3 144:3 155:6 205:2,12,18 290:19 Young 291:8 <hr/> Z <hr/> 0 <hr/>	<hr/> 1 <hr/> 1 165:17 167:9 167:14 176:22 178:7,17 199:16 203:22 204:8,10 221:16,22 252:13 255:15 268:3 282:4 283:22 284:10 1-b 223:10 253:8 253:16 1&2 93:19,22 94:3 1.3 261:9 1/27/17 93:13 1/5/17 93:8 1:08 229:22 230:2 10 95:3 119:9 197:14,15 203:8,13,17 243:23 251:11 10-K 290:7 10:11 151:14,16 10:25 151:16,18 10:38 163:10,12 10:41 163:12,14 10CFR 94:10 11 90:8 11/13/18 94:7 11/25/2019 302:23 11/5/19 94:15 11/8/17 94:17 113 95:8 116 302:22 12/20/16 95:8 12/2016 95:11 12:00 229:20,22 120 95:11 12th 96:9 13 89:17 96:1 239:17 133 93:8 13th 230:19	258:20 259:6 14 239:13 143 95:6 146 93:10 14th 153:11 154:12 191:13 206:19 156 93:13 15th 209:12 212:9,22 16 222:6,12 225:9,14 226:1 226:15,22 227:8,14 164 93:15 16th 218:14 219:7 220:12 221:6 222:20 18 298:11 300:18 1819 89:15 91:8 183 93:18 184 197:11 186 93:21 1884 93:20 18th 186:23 191 94:1 194 94:4 1954 197:12 1987 239:13 19th 195:1 1st 164:9 168:11 178:15 179:1 258:13 <hr/> 2 <hr/> 2 117:20,23 118:5 165:18 167:20 168:1,3 168:8 176:22 199:16 204:1,8 204:10 221:18 243:18 244:13 251:18 252:1,3 253:15 255:15 265:3,4,18
---	---	--	--	--

William McCollum**11/13/2019**

Page 332

2.109 244:1	2018 100:20	230 94:7	4761 233:13	7
2/1/17 93:15	126:16 127:14	234 94:10	4762 242:23	7 269:2
2/1/2017 179:12	127:22 129:20	23rd 122:10	4763 249:17	7/31/18 95:18
2/6/17 93:18	129:22 130:5	161:1,7,8	4764 251:9	70 90:17
2:14 280:23	130:20 132:2	165:1,3 174:12	253:19	74 93:8 133:13
281:2	178:17 179:3	178:1	4765 231:6	133:14
2:21 281:2,4	180:22 182:8	251.432.5511	4766 231:17	75 93:10 146:11
2:46 301:11,13	188:22 202:22	90:11	4769 254:17	146:12 150:14
20 221:15	203:2 218:3,14	263 94:13	4780 256:17	153:9
2005 250:8	219:7 220:12	267 94:15	4781 258:5	7577 205:7
2014 243:16	221:6 222:7,13	268 95:21	48 95:8 113:16	206:8,17
2016 121:4	222:20 225:5,9	27 160:20	113:21 114:11	7581 217:21
125:11	225:14 226:1	272 94:17	117:16	76 93:13 156:10
2017 95:7	226:15,22	292 95:18	4836 260:21	156:11 160:19
100:13 110:23	227:8,14 230:4	29th 95:7 144:12	4840 261:9	77 93:15 163:6
111:17,19,22	230:19 239:18	230:4	49 95:11 120:16	164:5,8
133:4,17 136:6	259:3,7,14	3	120:22	78 93:18 183:6,7
137:22 138:4	260:12,18	3 265:20	4907 252:2	79 93:21 186:3,4
140:6 143:1	272:6 281:15	3/14/17 93:10	4908 252:2,13	186:7,8 188:12
144:12 145:5	282:1,16 284:9	3:20 186:13	4913 252:3	189:21
145:10 146:7	285:2 286:11	30200 90:9	5	7th 189:22
146:16 149:2	286:20 291:19	30th 95:7 144:12	5 133:17,22,23	268:23
150:16 151:22	292:14 298:17	259:14 260:17	264:2 267:10	8
153:6,11	300:5,10	312.580.0100	5:18-CV-0198...	8 258:6 272:23
154:12 156:20	2019 89:17 96:1	90:19	89:4	80 94:1 191:9,12
156:23 157:6	96:10 182:7	31st 243:21	50 94:11	81 94:4 194:20
160:16,21	258:13 264:2,4	293:5,14	50.33 119:10	194:21
162:1,11 164:9	267:10	33 257:6	50.80 119:4	82 94:7 230:13
166:6,12,17	2020 267:17	3477 197:5	197:15	230:14 231:8
167:10,14	268:2 287:7	3488 198:8,9,13	50.90 251:12	239:22 242:23
168:11 171:8	2022 178:8	3497 200:1	5th 264:4	258:5 260:21
171:22 172:14	2023 177:17,21	35203 89:16	6	83 94:10 234:19
172:23 173:9	286:21	91:9	6 183:11	234:20 239:10
174:20,22	2024 167:10	36602 90:10	6.5 291:14	240:9 242:3
175:3,10	221:15 286:22	37 95:6 143:19	6/7/17 93:21	84 94:13 263:21
176:11,21,23	286:23	143:20 144:2,8	60 95:14 204:13	264:1 265:6
177:2,3,12,22	2027 268:9	146:18 147:20	204:18 205:14	85 94:15 267:5,6
178:15 179:1	287:8	37902 91:18	205:16 217:21	86 94:17 272:15
182:23 183:11	203 95:3	4	60602 90:18	272:16
186:13 188:19	204 95:14	4 251:18 252:4	65 95:18 292:6	865.632.3052
189:22 191:13	205.251.8000	4/5/19 94:13	292:11,22	91:19
192:19 194:7,9	91:10	4/7/2017 95:21	293:13	9
194:17 195:1	205.790.5841	400 91:17	67 95:21 268:14	9/14/17 94:1
243:21 268:23	92:7	4000 90:17	268:19	9/19/17 94:4
269:2 272:6,19	20th 186:13			
272:23	21st 121:4			

William McCollum

11/13/2019

Page 333

9/30/2020
302:22
9:02 96:1,10
96 93:3

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DEPOSITION EXHIBIT

10

To: Johnson, Bill[BillJohnson@tva.gov]; Quirk, Sherry Ann[saquirk@tva.gov]; Thomas, John Madison III[jimthomas@tva.gov]; Wardlaw, Van M[vmwardlaw@tva.gov]
From: Maierhofer, Justin C
Sent: Tue 8/14/2018 11:52:15 PM
Subject: Fwd: NRC public mtg on Bellefonte Project

...

Sent from my iPad

Begin forwarded message:

From: "FINNERTY, Sean" <stf@nei.org>
Date: August 14, 2018 at 5:52:32 PM CDT
To: Justin Maierhofer <jcmaierhofer@tva.gov>, Bevin Wilkinson Taylor <bewilkinson@tva.gov>
Subject: Fwd: NRC public mtg on Bellefonte Project

TVA External Message. Please use caution when opening.

Let me know if I can get any questions y'all might have answered?
Sean

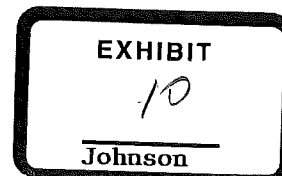
Sent from my iPhone

Begin forwarded message:

From: "BELL, Russ" <rjb@nei.org>
Date: August 14, 2018 at 3:44:10 PM EDT
To: "TSCHILTZ, Michael" <mdt@nei.org>, "AUSTGEN, Kati" <kra@nei.org>, "REDMOND, Everett" <clr@nei.org>, "NICHOL, Marcus" <mrn@nei.org>, "CHARLES, Chris" <cic@nei.org>, "FINNERTY, Sean" <stf@nei.org>, "COTTINGHAM, Anne" <awc@nei.org>
Subject: NRC public mtg on Bellefonte Project

Today I attended an NRC public mtg with Nuclear Development, LLC to discuss that company's plans to acquire and complete the two unfinished at Bellefonte. ND was represented by Bill McCullum, long time Duke exec and more recently TVA COO. With Bill was Tim Mathews of Morgan Lewis. There were no handouts.

- Bill described Unit 1 at 90% complete and U2 as "substantially complete."



- He described plans to submit an application to transfer the Bellefonte CP "soon" in connection with closure with TVA on the sale of the two units, expected in November. Not discussed, but we understand the sale is contingent on ND securing their loan guarantee from DOE.
- Tim said ND seeks to transfer the CP in its current deferred plant status, and will later complete phase two of the transfer of the CP to enable construction after providing NRC the required 120-day notice.
- ND will begin engineering and licensing work in parallel upon closure of the sale.
- ND plans to contract with an experienced nuclear operator to support application for the OL.
- Bill said a more detailed licensing schedule would be available in early 2019.
- Tim summarized ND financial and technical qualifications, including working with experienced partners such as SNC Lavolin, and relying on some preliminary work performed by TVA before abandoning the project. ND looks forward to a full demonstration of their financial and technical qualifications
- NRC expressed interest in early interactions on the Bellefonte project QA plan
- There were 39 people on the phone. BREDL ("Gary") asked the only questions, one about NRC independence despite the President's political ties to Frank Haney. And one about reported issues concerning the physical condition of the units. On that point, NRC said they were aware and that NRC inspections would ensure safety.

I spoke with Bill about the timing of joining NEI. He said the right time might be when ND contracts to develop the Bellefonte OL application. I noted to both Bill and Tim that NRC plans to revise Part 50 over the next 1-2 years and that those changes may impact OL application requirements. I told them NEI would be leading the industry response to that rulemaking and that this is something they will want to stay aware of.

Let me know if you have any questions.

Russ

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DEPOSITION EXHIBIT

37

To: 'bill@wrnccollum.com'[bill@wrnccollum.com]
From: Shea, Joseph W
Sent: Mon 1/30/2017 8:29:31 AM
Subject: RE: Bellefonte Construction permit transfer

Bill,

I am available at 2:30 pm tomorrow and it may be best to call me at 423-718-9576.

I confirmed with our transition team this morning that we do not have any activity ongoing regarding developing a permit transfer application.

Look forward to talking,

Joe

From: bill@wrnccollum.com [mailto:bill@wrnccollum.com]
Sent: Sunday, January 29, 2017 6:28 PM
To: Shea, Joseph W
Subject: RE: Bellefonte Construction permit transfer

TVA External Message. Please use caution when opening.

Joe,

We definitely need to talk. If I understand you correctly, what you are telling me is the opposite of what I got from talking to Frank. I had understood from him that TVA was taking the lead because you were the current holder of the permits, and that we would support you with information, such as financial viability information.

Please correct me if I have misunderstood your note.

I can talk any time after 2:00pm on Tuesday. Just let me know when and what number to call.
Thanks,

Bill McCollum

----- Original Message -----

Subject: Re: Bellefonte Construction permit transfer
From: "Shea, Joseph W" <jwshea@tva.gov>
Date: Sun, January 29, 2017 3:18 pm
To: "bill@wrnccollum.com" <bill@wrnccollum.com>

Hi Bill,

Thanks for the question on the transfer application path ahead.

I have had several conversations with Franklin, Frank and Larry B about this.
I suspect it would be worth a conversation between yourself and myself. To date, in my conversations

EXHIBIT

37

with NRC execs (both before and after your drop-in last week) I have deferred questions on transfer schedule to Nuclear Development as, per the transfer process, you all would have the lead. As I mentioned, I believe we should discuss further.

I have an all day conference tomorrow but I am available after 2 pm on Tuesday. If you are local that day we could meet at COC or nearby. Alternatively, I am available that pm for a telecon.

Joe
Cell- 423-718-9576

Sent from my BlackBerry 10 smartphone on the Verizon Wireless 4G LTE network.

From: bill@wormcollum.com

Sent: Sunday, January 29, 2017 2:49 PM

To: Shea, Joseph W

Subject: Bellefonte Construction permit transfer

TVA External Message. Please use caution when opening.

Joe,

Hi! I just wanted to check on the schedule for transfer of the construction permits for Bellefonte Units 1&2 from TVA to Nuclear Development. We are beginning to interface with the NRC staff on the overall project schedule for Bellefonte and they wanted us to provide information about the overall project schedule and Operating License schedule. I wanted to see if you guys have provided them any information on the schedule for the transfer of the construction permits, so we can be aligned on any communications with the staff.

Just let me know. Thanks,

Bill McCollum

DEPOSITION EXHIBIT

42

Message

From: Larry D. Blust [lblust@HSPLEGAL.COM]
Sent: 8/18/2016 6:56:13 PM
To: coneill@ceadvisors.com
CC: Franklin Haney, Sr. [flh@flhcompany.com]; Frank Haney [frankhaney@flhcompany.com]; Bill Mccullom [bill@wrmccollum.com]; Gloria Thurman [Gloria@flhcompany.com]
Subject: FW:
Attachments: Confidential Agmt Tennessee Valley TVA Buyer 8.18.16 Redline (00699593x9D9DD).docx; Confidentiality Agmt Tennessee Valley TVA Buyer 8.18.16 clean (00699547x9D9DD).doc

When I discussed with you that our client and its predecessor has been working with TVA on various proposals to complete the Bellefonte plants since at least 2001 and as a result had some problems with your draft confidentiality agreement, you suggested that I submit a revision to take care of those concerns. Such a revision is attached together with a redline showing the changes from the draft you sent out.

Most of the changes are self-explanatory but briefly the changes and the reasons for them are as follows:

1. In section 3, we deleted c barring disclosure of the Transaction and Nuclear Development's ("ND") participation in it. You have publicized this transaction and ND was the main party urging TVA to dispose of the Site so ND could complete the plants once TVA determined it would not complete these plants. As part of this process, ND has contacted various interested government officials and legislators and met with DOE, NRC, IRS and other governmental agencies and customers and suppliers of TVA about the feasibility and financing of the project. Our client's supporters periodically make requests for updates as to the disposition process. In addition, ND has applied for a DOE guaranteed loan under the program for advanced nuclear facilities and must be able to inform DOE where it is in the process. It is naïve to assume that this transaction or our client's participation in it is confidential. Similar changes were made to section 8.
2. We added new sections 10(a) & (b) dealing with ND's existing confidentiality agreement with TVA. In 10(b) we extended the permission in the amendment to that agreement to disclose information to DOE in regard to ND's pending loan application to the documents provided by TVA pursuant to this Agreement.
3. As we discussed, we added a 109c) making the confidentiality provisions mutual. Unlike some potential bidders, our client is an SPE formed just for this transaction by a wealthy family whose assets and activities are and always have been very private. In order to complete the Request for Qualification Information, our client needs to assure that its response will be confidential. In section 12 (formerly 11), we excepted out our client's existing exclusive arrangements and any new arrangements ND may make in regard to completing the plants as opposed to just acquiring the Site. Our client has to be able to make these arrangements before it acquires the Site.

If these changes are acceptable, please have the Confidentiality Agreement signed by a TVA representative and returned to me. I will secure Mr. Haney's signature and send you back a fully executed copy and our client's completed Request for Qualification Information. If you have any questions about or issues with these changes, please call me

From: Juanita Crudup
Sent: Thursday, August 18, 2016 11:53 AM
To: Larry D. Blust <lblust@HSPLEGAL.COM>
Subject:



CONFIDENTIAL

ND_004966



Juanita Crudup, *Legal Assistant*
HUGHES SOCOL PIERS RESNICK DYM, LTD.
70 W. Madison St., Suite 4000
Chicago, IL 60602
Dir 312.604.2682 Fax 312.604.2683
jcrudup@hsplegal.com   

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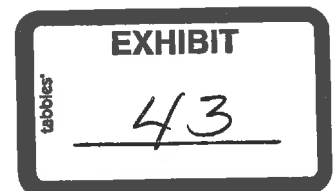
43

Message

From: Larry D. Blust [lblust@HSPLEGAL.COM]
Sent: 9/9/2016 7:50:02 PM
To: Carrie O'Neill [coneill@ceadvisors.com]
CC: Franklin L. Haney (flh@flhcompany.com) (flh@flhcompany.com) (flh@flhcompany.com); Frank Haney [frankhaney@flhcompany.com]; Bill McCollum [bill@wrmmccollum.com]
Subject: Emailing - Confidential Indicative Bid Nuclear Development (00703998x9D9DD).pdf
Attachments: Confidential Indicative Bid Nuclear Development (00703998x9D9DD).pdf

Attached is Nuclear Development LLC's Indicative Bid. This follows the organization in and contains the material required by your September 2, 2016 letter to me rather than the Offering Memo. The material requested in the Offering Memo is slightly different than that requested in your letter. The major substantive difference is the request in the offering memo for what additional due diligence is required. That is not in your letter and is more appropriately done in regard to negotiating a contract in any event since what is relevant to us is unlikely in most cases to be relevant to other bidders..

Please call me if you have any questions. Please confirm receipt of this.



CONFIDENTIAL

ND_005048

CONFIDENTIAL

Indicative Bid
Nuclear Development, LLC ("ND")

1. Buyer Group Contract.

Questions regarding clarification of the Indicative Bid should be directed to:

Larry D. Blust
Phone: 312 604-2672
Cell: 312 524-6218
Email: lblust@hsplegal.com

2. Buyer Group and Ownership Structure.

The bidder is Nuclear Development, LLC ("ND"). ND was formed in 2012 by Franklin L. Haney as a special purpose entity to acquire, finance, complete and operate the two partially completed nuclear plants at the Bellefonte Nuclear Station near Hollywood, Alabama.

Currently, Franklin L. Haney is the sole member and manager of ND. Officers with authority to act for it under the manager's direction are Franklin L. Haney, Jr. President, William R. McCollum, Vice President Nuclear Operations, and Larry D. Blust, Secretary and General Counsel.

ND is a special purpose entity ("SPE") formed exclusively for this transaction and will be the buying entity. The type of financing ND plans to use for the estimated \$13,370,625,000 cost of the project requires an SPE to insulate risks for the lenders and investors. ND's current ownership structure is shown on Exhibit A. As soon as ND has been approved as the successful bidder for the BLN site, ND will be expanded as indicated in Exhibit A in order to raise the required equity and debt.

The BLN reactor designs have been certified by DOE to constitute Advanced Nuclear Facilities as defined in Title XVII of the Energy Policy Act of 2005 for the purpose of qualifying for production tax credits under Internal Revenue Code Section 45J and for qualifying for a DOE guaranteed loan under Title XVII. ND applied for and has been awarded tax credits worth approximately \$1.0 billion for each plant. ND has gone through Phase I of the DOE loan application process and has been determined to be eligible for such a loan. ND applied for a \$10.6 billion loan but a second phase of DOE due diligence is required before DOE decides whether to award a loan and in what amount, which is discretionary with DOE.

The type of equity and financing to be used for this project means that the providers of the securitized equity and securitized debt will not be known until such funds are raised, which will be after the closing of the purchase of the property. These parties, who are likely to be institutional or private equity funds, will be merely passive investors in any event. The Haney family, who have already funded over \$5.0 million in front end costs, will remain the residual equity holders

in ND. When the tax credit funds are raised, the ownership may be split into two SPEs as shown in Exhibit A to accommodate the tax credit investors.

3. Advisors. Mr. Blust's law firm is assisting in the transaction, as is Mr. McCollum's consulting firm. In addition, investment advisors and engineering firms provided advice in regard to the DOE guaranteed loan application. After ND acquires the site, other advisors may be retained in regard to the project.

4. Indicative Bid Form.

The following is the completed indicative bid form:

A. Overview and End Use.

ND plans to acquire the site to complete the two partially completed nuclear power plants and to operate these plants as merchant power plants connected to the grid through the existing transmission lines of the TVA and Southfern Companies. The plants are comprised of two Babcock and Wilcox 205 advanced design pressurized water reactors. This design has never been fully licensed and operated in the United States. The Bellefonte units have NRC construction licenses and when completed and in operation will have a 1250 MW name plate capacity and will be the largest capacity advanced reactors in the United States.

B. Purchase Price. \$36.4 million. Per TVA's appraisal, the BLN site has no value to a purchaser that wishes to complete the plants for their intended use as nuclear power plants due to the risk and large additional investment required. However, ND promised TVA that it would initially bid the amount the appraisal found the value of the site to be for other uses so that TVA could not be accused of disposing of the property for less fees than its land value regardless of use. While ND expected that value to be lower given the demolition and other costs which would be required for any other use, ND is honoring this commitment.

C. Property Taxes. ND has made no arrangements with host communities regarding property taxes. ND's proposed use of the site will result in the site's highest assessed valuation for property tax purposes by a large multiple over other uses since ND is budgeting spending \$13.4 billion on the plants. ND would expect to discuss some real estate tax incentives with the host communities at some future time in light of the tremendous benefits this use will provide to local communities in addition to real estate taxes.

D. Committed Future Investments. With the required approvals and financing, ND will be committed to future investment of the cost of completion which is presently budgeted at \$13.4 billion over the next 4 to 6 years.

E. Description of Committed Future Investments. The above committed future investments are conditioned only on the same conditions required for ND to close the acquisition of the site. They are approval by the NRC of the transfer of the existing construction licenses to ND and commitments for either the DOE guaranteed loan of \$10.6 billion or other debt financing acceptable to ND. Unlike with possible bidders for other uses, who may be dependent on sales demand for commercial, industrial or residential property development in order to provide any

substantial benefits to the local communities, these expenditures will be committed to when the license transfer is approved and the debt committed.

Based on similar size U.S. nuclear projects, the project will create 8,000 to 10,000 direct and indirect construction jobs during the period of peak construction. Most of these workers will come from other locations creating a need for housing, restaurants, recreation facilities and other support facilities in the local communities.

The project will create approximately 2,400 direct and indirect permanent jobs, most of which will be high paying, including those involved in operation, maintenance and support as well as personnel required for refueling and maintenance outages. The positive ongoing economic impact to the surrounding region will exceed \$1.0 billion per year. The Alabama Governor's economic development experts view this project as the single largest potential economic development project in Alabama. The likely useful life of these two plants when completed is 60 years. This compares to roughly 20 years for a combined cycle natural gas plant of similar capacity which would also provide far fewer jobs. Other possible uses are likely to provide only a nominal amount of jobs and at lower wages than construction or operation of a nuclear plant. Thus, the benefit of providing employment is not only much greater in numbers and dollars than alternative possible uses, ND's proposal would provide multi-generational economic stability to the area, unlike any other likely proposals.

F. Other Value. In addition to the high value construction and operation of these nuclear plants would provide to the local communities and the state of Alabama, TVA should consider that having a long-term source of base power should TVA need it is a tremendous advantage to TVA. TVA's latest IRP does not conclude that TVA will never need the additional base power which would be produced from these plants at an attractive and non-fluctuating cost. In fact it concludes that substantial additional base power will be needed by the time these plants would be operational and over their 60 year likely operating life. It simply concludes that TVA should buy this additional power rather than fund and own the generating capacity.

No other possible use can provide this benefit. Natural gas, while cheap presently has historically not only commanded substantially higher prices, but has been subject to large spikes in the price of natural gas. If the proposals presently being considered for export of LNG to Europe and Asia come to pass, use of natural gas as a fuel for long-term base power needs is likely to cause large rate increases. In addition, a large combined cycle gas plant is capable of operating at only 50% to 70% of capacity as opposed to 90% to 95% for a nuclear plant and generally requires replacement or substantial rebuilding approximately every 20 years. Moreover, natural gas causes carbon emissions equal to 30% to 50% of a coal plant while nuclear causes no such emissions. Assuming that the current proposed "Clean Power" EPA regulations or something else to cause the U.S. to meet its international commitments to carbon emissions reduction ultimately becomes effective, these nuclear plants will aid TVA and the various states, particularly Alabama, to meet carbon reduction requirements in the most attractive way.

Comparing completing these plants to renewable energy such as solar or wind on this site is like comparing apples and oranges. Renewable power cannot provide reliable base power and generally requires subsidies to be price competitive.

Non energy uses will, of course, provide no collateral benefits to TVA despite its substantial prior costs.

This collateral benefit of a merchant owner completing the plants will inure to TVA without any commitments from TVA or conditions.

G. Financial Resources.

As to the purchase of the site, ND has available from the Haney family sufficient cash to pay the bid price. It is not in a position to do so without having the licensing approval and financing approvals discussed under item 5 below, however, since the BLN site is worth nothing to ND unless it has the ability to complete the two plants.

The more complicated challenge is to finance the estimated \$13,370,625,000 cost of the project. To do this, as soon as ND has been approved as the successful bidder for the site and has committed debt financing, ND will start raising securitized equity/debt from institutional and private equity players. The Haney family has already expended over \$5 million on the Bellefonte project which is not included in the \$13.4 billion figure above. The Haney family will leave this equity in ND and is likely to invest additional funds.

The currently projected funding for the entire project is as follows:

	<u>In billions</u>
DOE guaranteed loan	\$10.6
Securitized subordinate debt/equity to be taken out by tax credit investors	2.0
Balance of securitized equity/debt	<u>.8</u>
Total	\$13.4

The ratio of debt to equity is contemplated to be 79%/21%. ND's projections indicate the ability to pay more than the \$10.6 billion debt with sufficient coverage ratios.

In regard to the DOE guaranteed loan and the financing backed by tax credits, the plants have already been certified by DOE to constitute Advanced Nuclear Facilities as defined in Title XVII of the Energy Policy Act of 2005 for the purpose of qualifying for production tax credits under Internal Revenue Code Section 45J and for qualifying for a DOE guaranteed loan under Title XVII. ND applied for and has been awarded tax credits worth approximately \$1.0 billion for each plant. ND has gone through Phase I of the DOE loan application process and has been determined to be eligible for such a loan. ND applied for a \$10.6 billion loan but a second phase of DOE due diligence is required before DOE decides whether to award a loan and in what amount, which is discretionary with DOE.

As part of the DOE second phase application process, ND is required to obtain a shadow rating from a national credit rating agency based on projected revenue without credit enhancements. ND assumes that this rating is likely to be BB or slightly lower. If for some reason, DOE declines to offer a loan commitment to ND, or ND for some reason rejects DOE'S terms,

this shadow rating should allow ND to raise replacement securitized debt albeit on more onerous terms.

The above \$13.4 billion amount includes all future project costs to completion including environmental and regulatory.

ND does not anticipate initially having or requiring credit support since the DOE loan guarantee of the Federal Financing Bank loan is intended to alleviate the need for credit enhancement. Later on, however, ND would expect to have financeable power purchase contracts for a substantial amount of the power generated.

5. Mark Up to Commercial Terms

Because of the unique nature of ND's proposal, ND would require the following changes to TVA's initial commercial terms as stated in its offering memo:

A. Excluded Assets.

Basically in order to complete these plants on a timely basis, ND needs to step into TVA's shoes as to both on-site and off-site project assets. As to the excluded assets discussed in the offering memorandum:

(1) Steam Generators. It is essential to ND's ability to timely complete these plants that ND receive the two substantially complete steam generators and step into TVA's shoes in regard to TVA's contract for the Plant 2 steam generators by assuming TVA's rights and obligations in regard thereto. ND would not expect to increase its purchase price as a result as requested. ND would end up paying the manufacturer for the Plant 2 generators per the contract. As to the substantially complete generators for Plant 1, ND understands that they were manufactured specifically for this plant and thus have no value to TVA greater than their scrap value. No other bidder is likely to want these generators so, in essence, ND would be paying TVA more for the same property than anyone else if it added a separate amount for the generators.

(2) Training building and storage facility on pole yard. ND believes it needs fee ownership of these facilities both for its operation of the plants and for licensing purposes. ND is willing to enter into an agreement with TVA for TVA's access and use, however.

(3) FF&E. ND would expect TVA to leave any furniture and fixtures. TVA can remove any computers and phones if it desires. As part of the sale, however, ND requires all the programming, data, and records relating to the project. Thus, it might be more efficient for some or all of the computers to be transferred. This is a minor issue with numerous possible negotiated solutions.

(4) 250 acres of buffer land and closed dumps. ND has no desire to own these unless required for regulatory purposes. In any event, ND would not build on this assuming the survey shows it is outside the part of the site used for the plants and access thereto.

(5) Transmission Lines. ND assumed that the transmission lines dedicated to the plant would be transferred but ND has no problem with TVA retaining them so long as TVA enters into an interconnection agreement providing for their maintenance and use by ND and for any required upgrades at ND's cost.

(6) Licenses and Contracts. ND expects TVA to transfer all licenses and assignable contracts as proposed in the offering memo. See discussion below as to transfer of licenses.

B. Closing Conditions.

ND has no problem with the requirement to sign a purchase and sale agreement and deposit 20% of the purchase price within 48 hours of auction completion provided such a contract can be negotiated prior to auction completion. However, the closing itself and payment of the purchase price must, in addition to environmental clearance, be conditioned on NRC approval of the transfer of the existing construction licenses and ND receiving a written commitment for financing of the completion costs.

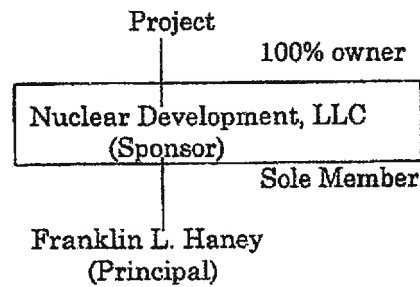
In regard to a loan commitment, ND as required submitted a written term sheet to DOE as part of its application. A commitment on these terms or similar in the amount of \$10.6 billion would satisfy this condition as would a commitment for securitized debt on comparable terms.

There is no reason why these conditions should be detrimental to TVA. As discussed above completion of these plants is by far the site's most desirable use as far as both the local community and TVA are concerned. While it is possible that ND might never be able to satisfy these conditions, ND is fairly far along in the process and as far as it can get without an agreement with TVA to acquire the plants. If these conditions were to prove unattainable, TVA can simply go back to any other bidding parties and negotiate a sale. These other possible uses will always be available; this is probably TVA's only chance to secure completion of the plants for the use originally planned which is the best possible outcome for all stakeholders. It is difficult to imagine how TVA would be damaged by accepting these conditions.

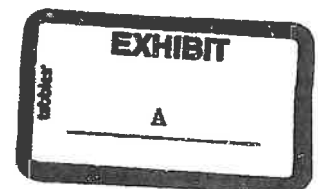
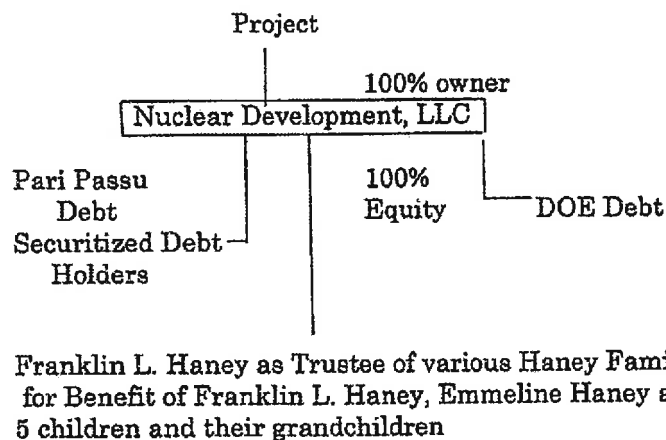
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Bellefonte, I. C. Organization (Corporate and Personnel). 1. V1. pdf

Organizational Chart
(Current)



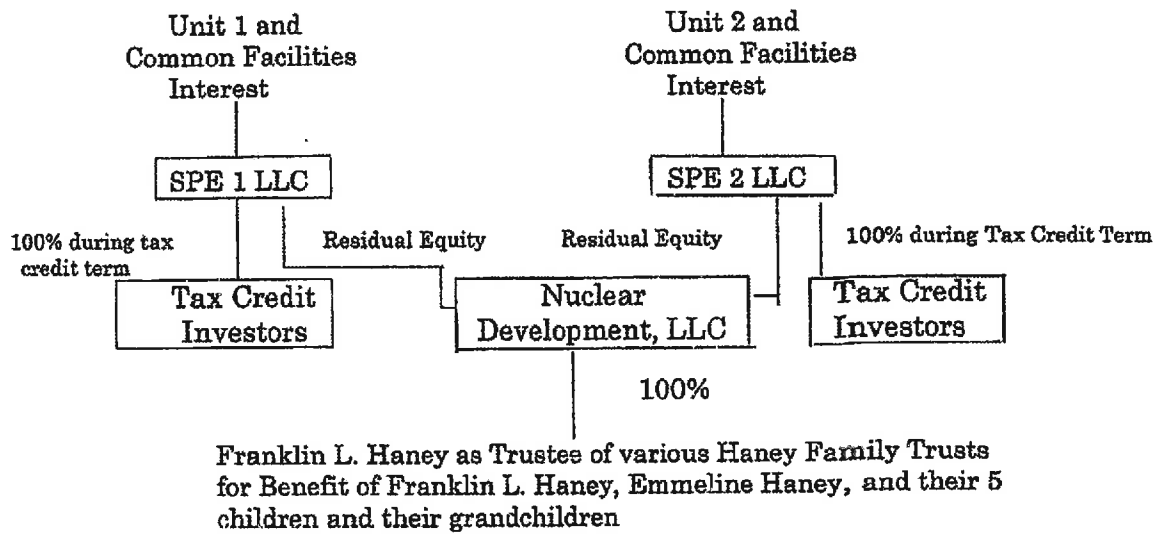
Organizational Chart
(On Entering Into Definitive Agreement)



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ND_005055

Possible Future Organization Chart
(on Split into 2 Projects to
Accommodate Tax Credit Investors)



DEPOSITION EXHIBIT

45

Message

From: Carrie O'Neill [coneill@ceadvisors.com]
Sent: 10/4/2016 10:15:32 PM
To: Frank Haney [frankhaney@flhcompany.com]
CC: bill@wrnccollum.com; Franklin Haney, Sr. [flh@flhcompany.com]; Larry D. Blust [lblust@hsplegal.com]
Subject: Re: P&S contract draft

Yes, we will find it and upload.

From: Frank Haney <frankhaney@flhcompany.com>
Sent: Tuesday, October 4, 2016 6:06:33 PM
To: Carrie O'Neill
Cc: Larry D. Blust; Franklin Haney, Sr.; bill@wrnccollum.com
Subject: Re: P&S contract draft

Carrie

Can you added 2010 transition study to data center? We had 100m in budget and the new line went to murphisburo (sp) as an FYI.

Frank

Sent from my iPhone

On Oct 3, 2016, at 9:47 AM, Carrie O'Neill <coneill@ceadvisors.com> wrote:

Thank you, Larry. We can discuss these issues tomorrow. I have circulated them to the TVA team.

Frank,

I know TVA is still working to get you the cash flow items from the list you sent us last week. The other documents were posted to DataSite. Have you been able to get access to those? I just want to check with you again that you are not expecting to discuss any of those documents in detail tomorrow. Jim Chardos will be at the meeting, but no one else from the engineering group will be there. Also, many of the folks involved in Bellefonte for TVA are no longer at TVA.
See you all tomorrow,
Carrie

From: Larry D. Blust [mailto:lblust@HSPLEGAL.COM]
Sent: Sunday, October 02, 2016 5:53 PM
To: Carrie O'Neill <coneill@ceadvisors.com>
Cc: Franklin Haney <flh@flhcompany.com>; Frank Haney <frankhaney@flhcompany.com>; bill@wrnccollum.com
Subject: P&S contract draft

In order to facilitate the discussion under the second item of the second bullet in the revised meeting agenda, we have the following concerns and/or needs for clarification regarding the proposed purchase and sale contract:

A. What buying:

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ND_005152

1. Recital C; 3(e); Deed 1B. The pole yard training center should be part of the property conveyed. We are willing to give TVA an easement for use as well as access as stated in our indicative bid.
 2. 1(c); 9(a)(ii). The records should be part of the purchase price. Section 9(a)(ii) appears to provide the needed access preclosing so there is no reason these should only be provided post closing or at additional cost.
 3. 1(d) Without Schedule 1(d) it is impossible to tell what contracts are being assigned and assumed. Of crucial importance is the contract for the generators/turbines. This issue is also related to 6(a)(vi) and Schedule 6(f) required consents. The last sentence of 1(d) should be eliminated and TVA should have an obligation to transfer these contracts with any consents required being a closing condition under 6(f) which can be waived by the buyer. In addition as to the generator contract and any other crucial contract there should be the normal saving clause that, if a required consent is not given, TVA will perform the post closing obligations at Buyer's expense and for its benefit.
 4. 1(e). Similar to item 3 above, the last sentence of 1(e) stating that if the license transfer is not approved in 1 year, TVA no longer has an obligation to get it transferred needs to be eliminated and the transfer of the license needs to be a condition to closing by making approval of transfer a required consent in Schedule 6(h).
 5. 3(a): Deed 1E. What are the large components to be removed? We need to see Schedule 1(d).
 6. 3(d); 12(d); Deed 1C & D. What is the purpose of the two easements in (ii) & (iii) for the switchyard and fiber optic system and how does this affect our use?
 7. 5(c)(ii). What electrical components need to be relocated off site and why should the Buyer pay for this?
 8. Deed 1F & 2D & G. As we stated in the indicative bid, we need verification that the two flood plain restrictions do not interfere with the plants' operations.
- B. Reimbursable expenses:
1. 5(c). We cannot accept a requirement to reimburse "certain cost and expenses" which are defined only by certain items which are included. We agreed to pay for the appraisal and additional environmental work on closing but we never contemplated or discussed paying for surveys, administrative staff of TVA, Concentric payments, or "other associated administrative costs". These are customarily seller's costs of sale. What is your proposed cap?
 2. 21. Section 21 provides that these costs will be paid by Buyer whether or not the transaction closes. This was not our understanding and makes no sense in that the TVA would get reimbursed even it was responsible for not closing.
- C. Closing Conditions:
1. 6(a)(vi). Assuming that Item A3 & 4 discussed above are required consents under 6(a)(vi), these items are taken care of.
 2. 6(a)(i); 11(a)(iv)(B). This should be eliminated as to us since TVA should know now that this is true given the extra environmental work.
 3. Additional conditions:
 - (a) As stated in our indicative bid, there needs to be a contingency for financing in the form of a DOE loan commitment acceptable to Buyer or an alternative commitment for \$10.6 billion.
 - (b) We should have the right to obtain a satisfactory title commitment and title insurance at our expense (even though this generally is a seller cost) since this will be a requirement for financing.
 - (c) A transmission agreement with TVA providing both for maintenance and use of the lines and for the right to upgrade them to get the power out of the facility to the nearest connection to the grid.

D. Termination Provisions:

1. 11(a)(v)(A). This cannot work since there is no time period and thus should be eliminated leaving only the outside date in B. The parties should discuss if the time in B is adequate.
2. 11(c). This provision appears to be misdrafted since 11(a) (iv) do not relate to anything done by Buyer but are things outside the parties control.

E. Drafting issues.

1. There is no section 11(b).
2. 16(a) refers to 13(a)(viii) which does not exist. I could not tell what this was intended to refer to.
3. In the Recitals to the P&S agreement and the deed there are elaborate and unnecessary references to the sales process. Not only are these the type of thing that should appear, if at all, only in resolutions, they are incorrect in stating that a public auction is required to sell this property. We sent TVA a white paper which clearly established that a private sale is authorized by the TVA Act and in fact has been used by TVA before in disposing of surplus property and that there are many types of public sales authorized by federal procurement regulations that do not resemble what is happening here. Moreover, it is our understanding that other factors than price were being considered as the requirement for additional investment in the deed clearly establishes. This recitation should be deleted. It seems to just give an objector a grounds for trying to challenge the deal.

Larry D. Blust, Attorney

HUGHES SOCOL PIERS RESNICK DYM, LTD.

70 W. Madison St., Suite 4000

Chicago, IL 60602

Dir 312.604.2672 Fax 312.604.2673

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Chicago, IL 60602

Dir 312.604.2672 Fax 312.604.2673

lblust@hsplegal.com <image006.jpg> <image008.jpg> <image010.jpg> <i

DEPOSITION EXHIBIT

48

Message

From: MIGNOGNA Gary (AREVA) [Gary.Mignogna@areva.com]
Sent: 12/20/2016 11:16:21 PM
To: Franklin Haney, Sr. [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=aad4c80960aa49d0809094ab700b30a4-flh]
CC: WILLIAMS Lee (AREVA) [Lee.Williams@areva.com]; PETERS Gary (AREVA) [Gary.Peters@areva.com]; Victor Puccio [victor.puccio@aecom.com]; William R. (Bill) McCollum (bill@wrnccollum.com) [bill@wrnccollum.com]; Frank Haney [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=a9eafc5d1ecf4a1393f7ad39df2c1328-frankhaney]; Larry D. Blust - Hughes - Socol - Piers - Resnick - DYM LTD (lblust@HSPLEGAL.COM) [lblust@HSPLEGAL.COM]
Subject: Process to Transfer Bellefonte Construction Permit
Attachments: White Paper - Dec20.docx

Franklin,

Please find attached the "white paper" you requested on the transfer of the Bellefonte construction permit from TVA to ND.

Best regards,
 GMM

Gary M. Mignogna
 President & CEO, AREVA Inc.
 434-832-2371 (office)
 434-841-2303 (mobile)

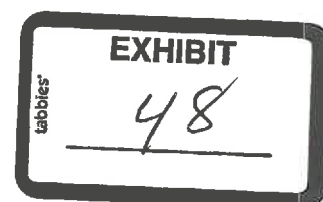
From: PETERS Gary (DTI)
Sent: Tuesday, December 20, 2016 2:14 PM
To: MIGNOGNA Gary (CORP-NP)
Cc: WILLIAMS Lee (IB); BRYAN Marty (DTI); RYAN Tom (DTI); HOTTLE Nathan (DTI); PARECE Marty (DTI); ELLIOTT Gayle (DTI); DUNKIN La Dawna (IB)
Subject: Process to Transfer Bellefonte Construction Permit

Gary – attached is current version that is ready for your use. We will also prepare summary slides that can be used to guide our discussion with the NRC on Jan 23. Please let me know if you have any comments or questions.

Thanks

Gary

Director, Licensing and Regulatory Affairs
 434 832-3945



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ND_005685

Bellefonte Nuclear Station Process to Transfer Bellefonte Construction Permit

PROBLEM STATEMENT:

TVA currently holds deferred status NRC Construction Permits for Bellefonte (BLN) Units 1 and 2. Deferred status is governed by NRC Generic Letter 87-15. NRC guidance includes defined processes for what is required while in a deferred state, how to reactivate construction, how to transfer a permit, and how to extend a Construction Permit (CP). The current situation is unique due to: (1) Nuclear Development, LLC (ND) is not a pre-qualified entity as defined by NRC financial and technical requirements; (2) There is no precedent for this type of transfer; and (3) Bellefonte Unit 2 CP has expired but an extension request to 10/1/2017 has not been acted on by NRC.

PROPOSED SOLUTION:

AREVA recommends that the Construction Permits be transferred from TVA to ND in the current "deferred status" state as defined by NRC Generic Letter 87-15. This would represent a "like-for-like transfer" and minimize the work by TVA, NRC and ND in the near-term. This proposal assumes that ND will be the CP holder. To support the transfer, TVA has to submit the CP transfer application 3-6 months prior to transfer. Additionally, NRC approval is required before the transfer can proceed. In order to complete the transfer by December 2017, ND will need to engage TVA and NRC to gain a common understanding, agree on a path forward, and allow the NRC 3-6 months to review the transfer application. Significant progress in various areas can be accomplished while the CP is in the "deferred status" state. The next step would involve transitioning from deferred to active construction. In accordance with NRC Generic Letter 87-15, ND would submit a letter to the NRC at least 120 days before plant construction is expected to resume that would include detailed information about the plant status, design changes and regulatory issues. This is expected to occur early in 2018.

ACTION PLAN:

Extension of the Unit 2 CP

TVA action is potentially required to request extension of the Unit 2 CP. The latest TVA extension request extends the Unit 2 CP to October 2017, but the NRC has not acted on it yet. The regulations (10 CFR 2.109) specify that the permits do not expire until NRC takes action. Previously, TVA had agreed to inform NRC of its plans six months prior to the expiration date (i.e. April 2017). It's possible that no further extension is required if TVA informs NRC of the current status and ND states their intent.

NRC Interface

Interactions with the NRC need to confirm the minimum technical and financial requirements for a deferred status CP applicant. The NRC will approve the CP transfer if it determines that (1) the proposed transferee is technically and financially qualified to be the holder of the CP;

and (2) transfer of the CP is consistent with applicable provisions of law, regulations, and orders. Previous NRC requirements for TVA reobtaining the Bellefonte CP after termination included verification of a functional quality assurance program, written site procedures to control necessary programs, a corrective action program to identify and correct problems, and appropriate documentation controls.

ND Quality Assurance Program

NRC regulation 10 CFR 50.34 requires that each application for a CP include the implementation of a quality assurance program in accordance with 10 CFR 50, Appendix B. An argument needs to be made that ND can provide quality controls equivalent to TVA for a deferred CP site. Developing a QA program similar to TVA's will be a challenge for an organization that has never held a license or permit. Assumption of TVA's current quality control program or use of a partner's defined quality program would expedite this process.

Appendix G of the TVA Nuclear Quality Assurance Plan (NQAP) defines the Bellefonte Units 1 and 2 Quality Assurance Programs. This is the top level policy that assigns major functional responsibilities for activities conducted by or for BLN while the construction permits for the units remain in deferred status. The NQAP describes the methods and establishes the administrative control requirements that meet applicable 10 CFR 50, Appendix B requirements, NRC Generic Letter 87-15, "Policy Statement on Deferred Plants," and the BLN 1 & 2 construction permits.

ND Organizational Structure

ND's organizational structure, functional responsibilities, levels of authority and interfaces for establishing, executing, and verifying the implementation of quality assurance requirements for BLN 1 & 2 needs to be defined and included in the NQAP. This organization needs to be sized commensurate with the required duties and responsibilities for a deferred status site. Regulatory issue Summary (RIS) 01-006 provides a roadmap that would allow ND to remain the final decision-making authority while transferring operating control for service companies to provide maintenance, QA and security services for the site.

TVA Interface for Construction Permit Transfer – 10 CFR 50.80

TVA must process the application for transfer of the CP licenses, to include all technical and financial qualifications of the proposed transferee as would be required if the application were for an initial license. The application must also include the purpose for which the transfer of the license is requested, the nature of the transaction necessitating or making desirable the transfer of the license, and consent for the applicant to possess the facility.

TVA will need to support the transition of site activities and Programs to allow CP Transfer, to include:

- Quality Assurance elements described in the NQAP will be accomplished through written, reviewed, and approved governing site procedures to support deferred status. These procedures will include actions necessary to maintain and preserve

units until construction reactivation. It is recommended that ND adopt TVA's existing procedures for BLN maintenance, security, employee concerns, etc.

- A corrective action program (CAP) is established commensurate with the deferred status. ND would need to assume the current program.
- Documentation is properly prepared, reviewed, approved, and distributed. QA records stored, maintained, and controlled in a manner to support deferred status. ND would need to assume and maintain the QA records TVA currently maintains for the plant.

Design and Licensing Basis

TVA provided the technical and design information for the Bellefonte Nuclear Plant in the PSAR and in the Final Safety Analysis Report (FSAR) in 1974. The NRC staff evaluated the technical and design information and documented the results in the original BLN Safety Evaluation Report (SER). As stated in the original SER, this was only the first stage of a continuing review by the NRC staff of the design, construction, and operating features of BLN. In its 2009 application requesting reinstatement of the CPs, TVA did not propose to change the design of the facility, as described in the PSAR and FSAR. Also, no information has been identified that would invalidate the conclusions presented in the staff's original SER. The original NRC SER remains valid. ND would need to adopt these documents as the design and licensing basis of BLN, with the understanding that updates will be needed prior to construction restart.

Financial Qualifications per 10 CFR 50.33 – new Rulemaking

The NRC has never received an application for a CP from a non-electric utility. Over the past few years the NRC staff has been working to update the financial qualification rule to be more applicable to the non-electric utility applicant. The rulemaking will remove the rigor of the detailed requirements for a power reactor applicant to demonstrate that it possesses or can provide reasonable assurance of obtaining the funds necessary for construction and operation. In this rulemaking, the applicant will be required to submit a plan describing how it will proceed to finance the construction and operation of the facility. The plan would ensure that the applicant has both a well-articulated understanding of the size of the project it is undertaking and the financial capacity to obtain the necessary financing before beginning reactor construction. The proposed rulemaking would permit the NRC to issue licenses with conditions to applicants that may have insufficient (or no) funding at the outset of the license application review.

The revised NRC financial qualification process demonstrates an understanding of the complexities of these types of major projects, the challenges in raising capital, and the need to ensure financing before the start of reactor construction. The new NRC financial qualification rule is in the final stages of implementation. The extensive work done by ND for DOE loan approval should support these financial requirements for a CP transfer applicant.

Environmental Requirements

TVA submitted an Environmental Report in 1973 and the NRC issued an Environmental Impact Statement in 1974. NRC performed an environmental assessment and reached a finding of no significant impact dated March 3, 2009 for the reinstatement of the TVA CPs. Based on the environmental assessment, the staff determined that reinstatement of the CPs will not have a significant effect on the quality of the human environment. The current NRC environmental assessment and the extensive environmental work done recently by TVA should be sufficient for a NRC CP transfer.

Work Allowed during Deferred Status of Construction Permit

10 CFR 50.10 defines activities that constitute construction and require a permit, activities that do not constitute construction and require no permit and activities that may be accomplished under a limited work authorization. Work performed during the deferral period supports preservation and maintenance activities and at no time during such period will work be performed which would further plant construction or completion.

TVA developed a Position Paper that outlined the major activities that could continue while the plant was in a deferred status. Some examples include: engineering walk downs, design or analysis of plant structures, systems and components (SSCs), surveying, site exploration, site clearing, grading, road construction, erection of site support buildings, procurement, fabrication, refurbishment, receipt and storage of SSCs, maintenance and preservation of SSCs including restoration activities to prevent degradation, removal of both safety-related and non-safety related equipment under controlled conditions, refurbishment of cranes, refurbishment of meteorological tower, refurbishment of the construction HVAC, etc. All work orders need to be reviewed and approved to ensure no work is authorized that could be identified as advancing plant construction while in a deferred status.

Potential Timeline

Bellefonte Construction Permit Transfer																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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Transition to Active Construction Permit

NRC Generic Letter 87-15 outlines the information required to be submitted to the NRC 120 days before plant construction is expected to resume. Information includes: a schedule for construction completion, schedule for submittal of an operating license application, current status of the plant site and equipment, listing of licensing issues and proposed resolutions, listing of new regulatory requirements during the deferral period and proposed plans for compliance, description of the construction management organization, description of plant design changes, revised FSAR, etc. The NRC will then review the activities implemented for preservation and maintenance to determine if there are areas that require special NRC attention. They will also verify design change modifications, the corrective actions program and the results of NRC inspections. Based on the success of Watts Bar 2 reactivating their construction permit, we have confidence that Bellefonte can receive an active construction permit in 2018 to complete the plant.

DEPOSITION EXHIBIT

49

Message

From: Frank Haney [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=A9EAF5D1ECF4A1393F7AD39DF2C1328-FRANKHANEY]
Sent: 12/21/2016 7:22:19 PM
To: MIGNOGNA Gary (AREVA) [Gary.Mignogna@areva.com]
CC: Franklin Haney, Sr. [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=aad4c80960aa49d0809094ab700b30a4-flh]; WILLIAMS Lee (AREVA) [Lee.Williams@areva.com]; PETERS Gary (AREVA) [Gary.Peters@areva.com]; Victor Puccio [victor.puccio@aecom.com]; William R. (Bill) McCollum (bill@wrmmccollum.com) [bill@wrmmccollum.com]; Larry D. Blust - Hughes - Socol - Piers - Resnick - DYM LTD (lblust@HSPLEGAL.COM) [lblust@HSPLEGAL.COM]
Subject: Re: Process to Transfer Bellefonte Construction Permit

Guys

We are focused solely on the doe loan guarantee and answering any questions. We need to cut back on expenses until we get further along. As such we don't need slides or for y'all to attend the 23rd nrc meeting. We would appreciate y'all setting up a meeting around the 23rd with edf. We understand they will be in town. Happy holidays. Thanks

Frank

Sent from my iPhone

On Dec 20, 2016, at 6:16 PM, MIGNOGNA Gary (AREVA) <Gary.Mignogna@areva.com> wrote:

Franklin,
 Please find attached the "white paper" you requested on the transfer of the Bellefonte construction permit from TVA to ND.
 Best regards,
 GMM

Gary M. Mignogna
 President & CEO, AREVA Inc.
 434-832-2371 (office)
 434-841-2303 (mobile)

From: PETERS Gary (DTI)
Sent: Tuesday, December 20, 2016 2:14 PM
To: MIGNOGNA Gary (CORP-NP)
Cc: WILLIAMS Lee (IB); BRYAN Marty (DTI); RYAN Tom (DTI); HOTTLE Nathan (DTI); PARECE Marty (DTI); ELLIOTT Gayle (DTI); DUNKIN La Dawna (IB)
Subject: Process to Transfer Bellefonte Construction Permit

Gary – attached is current version that is ready for your use. We will also prepare summary slides that can be used to guide our discussion with the NRC on Jan 23. Please let me know if you have any comments or questions.

Thanks

Gary

Director, Licensing and Regulatory Affairs
 434 832-3945

<White Paper - Dec20.docx>



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ND_005691

DEPOSITION EXHIBIT

60

To: Chardos, James S[jschardos@tva.gov]
From: Gillman, Marie
Sent: Tue 10/16/2018 11:07:18 PM
Subject: McCollum action list
Items Necessary Before Submitting an NRC Application- Responsibilities.pdf

TVA External Message. Please use caution when opening.

From: "bill@wormccollum.com" <bill@wormccollum.com>
Date: Thursday, August 16, 2018 at 14:57:06
To: "Matthews, Timothy P." <timothy.matthews@morganlewis.com>
Cc: "Burdick, Stephen J." <stephen.burdick@morganlewis.com>, "Gillman, Marie" <Marie.Gillman@snclavalin.com>
Subject: RE: NRC Public Meeting 8/14 - Summary

Guys,

Based on our conversation, I've attached a copy of the punch list with responsibilities noted in the appropriate boxes. Please let me know if you have any questions or concerns. In between calls, we should keep each other updated on progress, changes or hard spots that may arise.

Thanks,

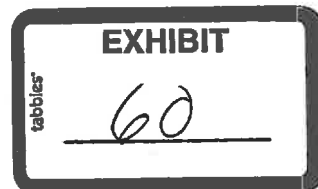
Bill McCollum

----- Original Message -----
Subject: RE: NRC Public Meeting 8/14 - Summary
From: "Matthews, Timothy P." <timothy.matthews@morganlewis.com>
Date: Thu, August 16, 2018 1:55 pm
To: "bill@wormccollum.com" <bill@wormccollum.com>
Cc: "Burdick, Stephen J." <stephen.burdick@morganlewis.com>, Marie Gillman <Marie.Gillman@snclavalin.com>

Draft punch list attached.

Timothy P. Matthews
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW | Washington, DC 20004-2541
Direct: +1.202.739.5527 | Main: +1.202.739.3000 | Fax: +1.202.739.3001
timothy.matthews@morganlewis.com | www.morganlewis.com
Assistant: Angela M. Perry | +1.202.739.5315 | angela.perry@morganlewis.com

From: bill@wormccollum.com <bill@wormccollum.com>
Sent: Thursday, August 16, 2018 1:08 PM
To: Matthews, Timothy P. <timothy.matthews@morganlewis.com>



Cc: Burdick, Stephen J. <stephen.burdick@morganlewis.com>; Marie Gillman
<Marie.Gillman@snclavalin.com>
Subject: RE: NRC Public Meeting 8/14 - Summary

[EXTERNAL EMAIL]

Great. Marie sent out a number, so I'll see you on the call at 2.

Bill McCollum

----- Original Message -----

Subject: RE: NRC Public Meeting 8/14 - Summary
From: "Matthews, Timothy P." <timothy.matthews@morganlewis.com>
Date: Thu, August 16, 2018 11:31 am
To: "bill@wrnccollum.com" <bill@wrnccollum.com>
Cc: "Burdick, Stephen J." <stephen.burdick@morganlewis.com>, Marie Gillman <Marie.Gillman@snclavalin.com>
2pm Works.

Timothy P. Matthews

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timothy.matthews@morganlewis.com | www.morganlewis.com

Assistant: Angela M. Perry | +1.202.739.5315 | angela.perry@morganlewis.com

From: bill@wrnccollum.com <bill@wrnccollum.com>

Sent: Thursday, August 16, 2018 11:05 AM

To: Matthews, Timothy P. <timothy.matthews@morganlewis.com>

Cc: Burdick, Stephen J. <stephen.burdick@morganlewis.com>; Marie Gillman
<Marie.Gillman@snclavalin.com>

Subject: RE: NRC Public Meeting 8/14 - Summary

[EXTERNAL EMAIL]

Tim,

I would like to have a call today at 2:00pm Eastern/ 1:00pm Central to go over the list. Goal for today would be to identify who is doing what to get each item completed and when. At the end of the call we can decide on the timing for the next call. If 2:00pm won't work for you guys, let me know what time fits.

If you guys have a conference line we can use that would be good, otherwise if you and Steven are dialing in from the same line we can conference the three lines together.

Regards,

Bill McCollum

----- Original Message -----

Subject: RE: NRC Public Meeting 8/14 - Summary
From: "Matthews, Timothy P." <timothy.matthews@morganlewis.com>
Date: Thu, August 16, 2018 9:26 am
To: "bill@wrnccollum.com" <bill@wrnccollum.com>
Cc: "Burdick, Stephen J." <stephen.burdick@morganlewis.com>

Bill,

Attached is our draft of the punch list. We fully agree with your suggestion on coordination and are anxious to participate. Stephen and I are generally available today except 11-12:30 and 3-4 (Eastern). If we could schedule a recurring alignment meeting that might be helpful too. Just let us know what works for you and Marie.

Tim

Timothy P. Matthews

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timothy.matthews@morganlewis.com | www.morganlewis.com

Assistant: Angela M. Perry | +1.202.739.5315 | angela.perry@morganlewis.com

From: bill@wrnccollum.com <bill@wrnccollum.com>

Sent: Wednesday, August 15, 2018 6:40 PM

To: Matthews, Timothy P. <timothy.matthews@morganlewis.com>

Subject: RE: NRC Public Meeting 8/14 - Summary

[EXTERNAL EMAIL]

Tim,

Thanks. Once you have the punch list together, I would like for you, Steven, Marie Gillman and I to get together on a call and discuss the punch list and earlier note on transferring the CP's.

My goal is to make sure Marie and the rest of us are aligned on what we need to do and how, and also to identify if there are any things we need someone else to do for us.

At the present time, Marie is confused by some of what she has heard, which is not surprising since she has been talking to Frank, me and you guys separately. I am available any time tomorrow, so just let me know the best time for you guys.

Thanks,

Bill McCollum

----- Original Message -----

Subject: RE: NRC Public Meeting 8/14 - Summary
From: "Matthews, Timothy P."
<timothy.matthews@morganlewis.com>
Date: Wed, August 15, 2018 5:10 pm
To: "bill@wrnccollum.com" <bill@wrnccollum.com>

Bill,

I've prepared a punch list of what I think are the decisions, steps and information we need before we can submit. I've asked Stephen to take a look at it. Once he has, I'll forward for your review and comment before sending it on. I expect to have that to you early tomorrow.

We saw almost nothing in the press today about the NRC meeting yesterday except one mention that it took place.

Thanks,

Tim

Timothy P. Matthews

Morgan, Lewis & Bockius LLP

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timothy.matthews@morganlewis.com | www.morganlewis.com

Assistant: Angela M. Perry | +1.202.739.5315 |

angela.perry@morganlewis.com

From: bill@wrnccollum.com <bill@wrnccollum.com>

Sent: Wednesday, August 15, 2018 10:58 AM

To: Frank Haney <frankhaney@flhcompany.com>

Cc: Matthews, Timothy P. <timothy.matthews@morganlewis.com>; Burdick, Stephen J. <stephen.burdick@morganlewis.com>

Subject: RE: NRC Public Meeting 8/14 - Summary

[EXTERNAL EMAIL]

Frank,

Marie is working on the SNC QA program. We can only use Exelon's if they sign up, which they have not agreed to yet.

I agree we do need to move forward with the application ASAP.

My only point to try to answer your question about

NRC signing off was to say that once we submit the transfer request, approval from NRC will take months, not days or weeks.

I'll let Steven and Tim respond with what they see as next steps needed prior to submitting application.

Bill McCollum

----- Original Message -----

Subject: Re: NRC Public Meeting 8/14 - Summary
From: Frank Haney <frankhaney@flhcompany.com>
Date: Wed, August 15, 2018 10:46 am
To: William McCollum <bill@wrnccollum.com>
Cc: "Matthews, Timothy P." <timothy.matthews@morganlewis.com>, "Burdick, Stephen J." <stephen.burdick@morganlewis.com>

I think the only thin we lack is an Owner QA program. SNC said they would formulate, or we can use TVA's or Westinghouse said they could help or maybe exelon would help. We just need to decide and move forward. Thoughts?

Frank
Sent from my iPad

On Aug 15, 2018, at 10:06 AM, William McCollum <bill@wrnccollum.com> wrote:

Frank,

The four of us should get together on a call and discuss the path forward so that we are clear on details.

The next step is for us to submit a formal application for transfer of the CP's from TVA to ND. We need to get at least a minimum credible QA program in place, and do a few other things.

Once we submit a request to transfer the CP's, which we have not done yet, NRC will go through a months-long process of review, involving many meetings with the staff and responding to questions from them, before making a decision.

NRC has been very clear since the first time we met with Vic McRee and his staff that this review (and hopefully approval) will not go

quickly.

I don't think there is any reason to believe we won't be successful in getting approval, but it won't happen without going through the process, and that will take time.

Tim, Steven, if you disagree based on your discussions with staff, please correct me. (This is one case where I would be happy to be wrong)

Regards,
Bill McCollum

On Aug 14, 2018, at 16:33, Frank Haney
<frankhaney@flhcompany.com> wrote:

Sounds awesome. So when will they sign off? Next steps?

Frank
Sent from my iPhone

On Aug 14, 2018, at 4:16 PM, Matthews,
Timothy P.
<timothy.matthews@morganlewis.com>
> wrote:

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Frank,
I wanted to give you this short report on today's meeting. By NRC standards, I'd call it very successful. Bill and I got through our planned discussions with no resistance and few questions from the NRC. They emphasized communication going forward, primarily to assure availability of NRC resources.

NRC had approximately 10 people in the room. The

most senior was Robert Taylor, a Division Director in the Office of New Reactors. (This was typical and appropriate.) Also present were our Branch Chief and Project Manager, as well as staff responsible for QA, financial qualification, construction inspection, OGC and Public Affairs among others.

Also present in the room were representatives from NEI and EXCEL services and Victor Trebules (DOE contractor, but he did not identify that affiliation).

The telephone operator said there were 39 callers. Those included Larry, Stephen, NRC, Jim Chardos, Sharon Harris from the DOE LPO, a couple of anti-nukes from BREDL, and reps from several of your Bellefonte partners (e.g. SNC, Framatome). Media personnel listening in, if any, did not self-identify.

The only public questions came from Gary Morgan (BREDL) directed to NRC focused on independence of the NRC review and "structural integrity" issues associated with the plants. NRC handled both questions very well.

The NRC's few questions during the meeting emphasized their desire for long, advance notice on when their licensing and inspection resources would be necessary for BLN.

The meeting lasted just over 35 minutes.

Following the meeting, a few of the NRC staffers stopped to thank us for the visit and offer suggestions related to our treatment of QA, decommissioning funding assurance and several deferred responses to NRC information demands (e.g. Fukushima modifications) that will need to be addressed going forward.

Tim

Timothy P. Matthews
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8/16/2018

Items Necessary Before Submitting an NRC Application

Information Need	Responsible	Status
I. Identification of the Applicant	Bill	
A. Full identification of Nuclear Development LLC: owners/members/voting control/place of incorporation/officers and their citizenship		
B. Similar full identification of all legal entities (companies/LLCs/ partnerships/ individuals) that own or control ND LLC (disclosure of all affiliates with voting control), continuing up the chain(s) of ownership to controlling individual(s) and their citizenship(s)		
C. Decide whether to remain with current structure (ND as both owner and operator), or follow EXC's recent suggestion of creating separate ND OpCo to conduct activities on behalf of the owner. Both would be NRC licensees. (This would be similar to Georgia Power as owner and Southern Nuclear Op Co as the operator; Both are on the license with defined responsibilities. Financial obligations reside with owner(s).		
II. Estimated (Latest) Date for Completion of Construction Suggest we pick a late date rather than an aggressive construction schedule so that the permit life is not at risk without additional regulatory action.	Bill	
III. Technical Qualifications	Bill	
A. Owner Organization – 1. Deferred Plant Phase - Fill out at least minimal positions on the ND Org Chart below W. McCollum, Chief Nuclear Officer (CNO). E.g. Provide names and resumes for: a. Manager of Quality Assurance – must meet experience and applicable training requirements. Must be independent of site operations responsibilities		

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8/15/2018

Information Need	Responsible	Status
b. Manger Regulatory Affairs/Licensing – should be someone very familiar with how NRC regulates, nuclear construction, NRC licensing experience, TVA/BLN experience also would be helpful. (This person will need a staff of 3-5 people including admins and licensing engineers before moving to Phase 1 engineering work)	Bill	
c. Plant Manager – Deferred Plant – Essentially what Chardos is doing now; Chardos would be a good candidate if available	Bill	
d. Director Construction Planning - I see this as forward looking. Reporting to Bill, with responsibility for overseeing SNC-Lavalin initial Phase 1 Work.	Bill	
e. Also Need to describe source of additional workers who will support these managers (e.g., contract with EXC, SNC-L, other, or ND direct hire and train)	Bill	

DBA/ 99131517.2

2

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8/15/2018

Information Need	Responsible	Status
<p>2. <u>Construction Phase</u> – This must be included in the CP Transfer Application – Our organization must be capable of overseeing all activities including plant testing receipt of fuel on site. This may be more rigorous and different capabilities than initially needed to design and construct. To meet this, our application will need to show on of the following options:</p> <p>a. ND's and SNC-L's QA Programs and Management team will be prepared to oversee this broad scope of activities when necessary; (Note: This is our preferred option)</p> <p style="text-align: center;">OR</p> <p>b. Show the NRC a contract with EXC (or other Part 50 operator) describing scope of work and experience overseeing Design Engineering, Construction, and Testing;</p> <p style="text-align: center;">OR</p> <p>c. Propose a TQ license condition saying ND will provide evidence of such a contract before submitting 120-day letter. (We've drafted a proposed condition, but this is asking NRC to do something they have never done before. It creates schedule risk.)</p> <p>We should be able to say we'll provide in future submittals specific names and resumes for the rest of the ND oversight organization covering later phases.</p>	Marie	
<p>B. Quality Assurance Program Description - The licensee (operator if split owner/opco) must have <i>and follow</i> its own QA Program Description. This is a QA Procedure sufficiently detailed to cover all Appendix B requirements during active construction and testing. Multiple templates are available, but which one we intend to follow brings us to a fork in the road. If we plan to bring in EXC as an ops support contractor, we will want to use theirs as the model. Otherwise we will have to get the NRC to change the approval later (possible but an extra step). Plan B would be to model ND's on SNC-Lavalin's. They're working on one now and should be able to show enough for construction, but we'll need one like Exelon's or TVA's later for our Operating License Application. It would be easier to have the full plan in place up front.</p>	Marie	

DB1/ 99131517.2

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8/15/2018

Information Need	Responsible	Status
<p>C. Qualifications of the Constructor – This is probably easiest on the list; we'll need to describe SNC-L's relevant experience and organization, identify their leaders (resumes) and describe their QA/Procedures or ours. (SLN is working on this)</p>	Marie	
<p>IV. Financial Qualification</p> <p>A. Newly Formed Entity Info – The regs at 50.33(f) require a special purpose entity to provide very detailed information on sources of funds, and contractual relationships with owners or stock holders. As that relates to ND, we will have to show where ND is getting the money to pay for deferred plant activities prior to first draw. If that includes loans from FLH Company or individuals, we'll need to show the loan agreements and plans for repayment. It could also mean NRC wants to see the lender's sources of income and expenses and any restriction on use of cash streams (e.g. prohibitions on lending to ND). We'll need to demonstrate a reliable source of funds in excess (10%) of our anticipated expenses while in deferred plant. This may be filed exempt from public disclosure, but may also prompt more intrusive questions from NRC.</p>	<p>Bill</p> <p>Will discuss with Larry Blust, Frank and Franklin</p>	
<p>B. Project Financing – We need to demonstrate that we either have, or have reasonable assurance of obtaining financing to cover construction and related fuel cycle costs. NRC may want to see either the conditional guarantee or some statement from the LPO that one is forthcoming in order to file the application. (It has not demanded this evidence in the past, but ND should anticipate potential challenges to completeness and accuracy of any assurances we provide in this regard.)</p>	<p>Bill:</p> <p>Discuss with Larry Blust</p>	
<p>V. Other</p> <p>While not formally a part of the application, NRC will want to see our plan for transition/turnover of responsibilities from TVA. They won't want TVA to just walk away. Rather, they will want to see a plan for turnover of function by function from one Company to the next.</p>	Marie	

DBA/ 99131517.2

DEPOSITION EXHIBIT

65

From: William McCollum <bill@wrnccollum.com>

Sent: Tuesday, July 31, 2018 2:50 PM

To: Frank Haney

Cc: Kray, Marilyn C:(GenCo-Nuc); Fewell, J Bradley B:(GenCo-Nuc); Peterson, Carol R:(GenCo-Nuc); Hanson, Bryan C:(GenCo-Nuc); Kropp, Christine:(GenCo)

Subject: [EXTERNAL] Re: [EXTERNAL] RE: [EXTERNAL] RE: FINAL - Release, Press Package, Media Targets

10am Eastern tomorrow works for me.

Bill McCollum

On Jul 31, 2018, at 14:46, Frank Haney <frankhaney@flhcompany.com> wrote:

Works for me

From: Kray, Marilyn C:(GenCo-Nuc) <marilyn.kray@exeloncorp.com>

Sent: Tuesday, July 31, 2018 2:42 PM



ND_004012

To: Frank Haney <frankhaney@flhcompany.com>; Fewell, J Bradley B:(GenCo-Nuc) <Bradley.Fewell@exeloncorp.com>; Peterson, Carol R:(GenCo-Nuc) <carol.peterson@exeloncorp.com>; Hanson, Bryan C:(GenCo-Nuc) <bryan.hanson@exeloncorp.com>; William McCollum <bill@wrmccollum.com>; Kropp, Christine:(GenCo) <christine.kropp@exeloncorp.com>
Subject: Re: [EXTERNAL] RE: [EXTERNAL] RE: FINAL - Release, Press Package, Media Targets

Wonderful. Thanks for the speedy reply. If 9am CT/10am ET works for you and Bill, I'll ask my assistant to send out a call-in number.

From: Frank Haney <frankhaney@flhcompany.com>

Sent: Tuesday, July 31, 2018 2:33 PM

To: Kray, Marilyn C:(GenCo-Nuc); Fewell, J Bradley B:(GenCo-Nuc); Peterson, Carol R:(GenCo-Nuc); Hanson, Bryan C:(GenCo-Nuc); William McCollum

Subject: [EXTERNAL] RE: [EXTERNAL] RE: FINAL - Release, Press Package, Media Targets

I attached bill to the email as well. You pick a day and time and we can jump on the phone. Im sure mostly him but myself as well can hopefully answer any questions you may have. Thanks

Frank

From: Kray, Marilyn C:(GenCo-Nuc) <marilyn.kray@exeloncorp.com>

Sent: Tuesday, July 31, 2018 2:31 PM

To: Frank Haney <frankhaney@flhcompany.com>; Fewell, J Bradley B:(GenCo-Nuc) <Bradley.Fewell@exeloncorp.com>; Peterson, Carol R:(GenCo-Nuc) <carol.peterson@exeloncorp.com>; Hanson, Bryan C:(GenCo-Nuc) <bryan.hanson@exeloncorp.com>

Subject: Re: [EXTERNAL] RE: FINAL - Release, Press Package, Media Targets

Thanks, Frank. It was a pleasure meeting Marie, and she did a great job of conveying our issues to you. We'd like to take you up on your suggestion to have a call with Bill McCollum to discuss our proposed ND employee model. Thanks also for the overall budget assumptions; however, this has prompted some questions. Not sure if Bill would be good to field these as well.

From: Frank Haney <frankhaney@flhcompany.com>

Sent: Tuesday, July 31, 2018 12:00 PM

To: Kray, Marilyn C:(GenCo-Nuc); Fewell, J Bradley B:(GenCo-Nuc); Peterson, Carol R:(GenCo-Nuc); Hanson, Bryan C:(GenCo-Nuc)

Subject: [EXTERNAL] RE: FINAL - Release, Press Package, Media Targets

All-

ND_004013

I understand from Marie that yall have two questions:

1) Breakdown of O&M expenses. Our budget breakdown for the \$39/MW PPA price is:

	Total	Total
	Yearly	In
Breakdown of the \$39/MW	Expense	\$/MW
<hr/>		
<u>Annual Debt Service</u>		
Total	\$272,907,720	\$24.47
<hr/>		
<u>Operating Expenses</u>		
Operation & Maintenance	\$80,000,000	\$7.17
Fuel	\$45,000,000	\$4.04
Waste	\$12,000,000	\$1.08
Decommissioning	\$25,000,000	\$2.24
<hr/>		
Total	\$162,000,000	\$14.53
<hr/>		
Total PPA	\$434,907,720	\$39.00

Note: Transmission Expenses included in O&M line item.

I understand this is not a detailed budget but the overall numbers are what Credit Suisse came up with when we went to the rating agencies way back when. The PPA we have structured is important because it as a triple net lease. Meaning whatever the O&M charge is on any given year, the PPA increases to cover all costs including capital and operating above floor set above.

2) I understand you want ND to employee the Exelon employees and ND needs to set up its ND operating staff. I admit this is beyond my knowledge. I suggest we set up a call with us and Bill McCollum to discuss so we can go over what you want in detail.

Let me know if you would like to do this. Thanks

Frank

ND_004014

From: Frank Haney

Sent: Friday, July 27, 2018 3:38 PM

To: marilyn.krav@exeloncorp.com; Bradley Fewell <Bradley.Fewell@exeloncorp.com>; Carol Peterson <carol.peterson@exeloncorp.com>; Hanson, Bryan C: <bryan.hanson@exeloncorp.com>

Subject: Fwd: FINAL - Release, Press Package, Media Targets

Our press release. Should be a big event.

Sent from my iPhone

Begin forwarded message:

From: "Whitcomb, John" <John.Whitcomb@fticonsulting.com>

Date: July 27, 2018 at 10:18:04 AM EDT

To: Frank Haney <frankhaney@flhcompany.com>, "Gillman, Marie" <Marie.Gillman@snclavalin.com>

Cc: "Cramer, Bud" <Bud.Cramer@fticonsulting.com>

Subject: FINAL - Release, Press Package, Media Targets

All,

Attached is the final press release, the press package, and our media targets list. Also, below is text of an email we will be sending to our media targets in the next 15 minutes. Please let us know ASAP if you have any questions or concerns.

[NAME],

I wanted to invite you to an industry briefing by SNC-Lavalin on its plan to complete Bellefonte Nuclear Plant. The briefing will occur on Monday, July 30 at 10:00 AM (CDT). The location of the briefing will be the Bellefonte Nuclear Plant in Hollywood, Alabama. More details of the briefing are attached. I have also included a press package that includes recent press statements and coverage on the recent selection of SNC-Lavalin to be the project manager.

If you would like to attend the briefing, please RSVP to Sheila Shepard: shepard@scottsboro.org

Thank you,

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ND_004015

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DEPOSITION EXHIBIT

67

To: Chardos, James S[jschardos@tva.gov]; bill@wrmccollum.com[bill@wrmccollum.com];
Franklin Haney, Sr.[flh@flhcompany.com]; Larry Blust[lblust@HSPLEGAL.COM]
From: Frank Haney
Sent: Fri 4/7/2017 1:30:44 PM

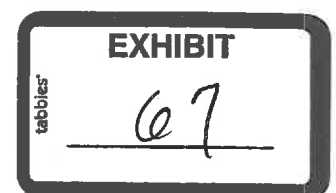
TVA External Message. Please use caution when opening.

Jim and bill

Should we ask tva and southern company to do transition study or a preliminary one to make sure we can wield the power to whatever area we want on existing lines? We want to confirm we can actually sell the power to whomever wants to buy it. Thoughts?

Frank

Sent from my iPhone



TVABLN00000328

DEPOSITION EXHIBIT

73

Enclosure 2

William R. (Bill) McCollum, Jr.

Personal Information

Mailing address: 44 Beekeeper Trail
Swannanoa, NC 28778
eMail Address: bill@wrmccollum.com

Telephone: (828) 686-1621 (Home)
(828) 333-2609 (Mobile)

Career Summary

Seasoned executive with 44-year track record of delivering results in all phases of the electric utility business. Demonstrated success in building executive teams, developing business strategy and creating alignment with employees and stakeholders to achieve sustainable improved business results.

Experienced in performance turnaround as performance transformation leadership, as well as M&A organizational consolidation. Demonstrated performance in a progression of responsible leadership roles including C-level positions over nuclear operations, fossil operations, transmission and power supply functions.

Strong experience in construction management, project management and controls implementation and project oversight functions.

Education:

BS in Electrical Engineering, Georgia Tech;
MS in Nuclear Engineering, Georgia Tech;
MBA from UNC-Charlotte.

Training: NRC Senior Reactor Operator's License (Catawba Nuclear Station)
Registered Professional Engineer-NC #10382
SC #22547



ND_004812

Enclosure 2

Work Experience:

07/01/2012-Present Owner, McCollum Holdings, LLC

Consultant to firms in the energy industry. Provides executive management consulting on nuclear industry issues, electric energy strategy issues and other energy matters.

05/01/2007-06/30/2012 Chief Operating Officer, Tennessee Valley Authority

Responsible for all Generation, Transmission, Construction and River Operations functions, and associated support activities for the nation's largest public power provider. Provide leadership for all operational functions as well as development and construction of new nuclear and conventional generation assets. Led an organization of over 9000 employees, a similar number of contractors, and an operating and routine capital budget of over \$9B. Responsible for capital expansion projects with total budgets of over \$5B. In addition to nuclear access clearances, held Top Secret clearance.

In this role, led a performance turnaround effort to re-tool the organization and assets, including significant reorganization, leadership change and introduction of a new management model to refocus the organization on operational excellence. Established improved labor relations, moving from an adversarial relationship to a collaborative relationship while gaining better management rights contract terms. Improved employee safety culture, resulting in recordable injury rates in top decile of industry.

10/24/2006-04/01/2007 Executive Vice-President and Chief Regulated Generation Officer, Duke Energy Corporation

Responsible for leadership of Regulated Fossil-Hydro Generation, Engineering & Technical Services, Procurement, Regulated Bulk Power Marketing and New Generation Construction (Fossil and Nuclear). Provide Operational leadership to achieve and improve business results of Regulated operations in Carolinas and Midwest regions. As a direct report to the CEO, provide leadership in developing and executing business and regulatory strategy to provide earnings growth through cost reductions, operational excellence and capital management.

4/1/2006-10/24/2006 Group Vice-President, Regulated Fossil-Hydro Generation

Responsible for operation of 21,000 MW of Fossil-fuel and Hydroelectric generating assets. Provide leadership for development and execution of growth strategy and planning for environmental compliance while achieving operational excellence.

1/1/2005-4/1/2006 Vice- President, Strategic Planning and Business Development

Primary Accomplishment: Led strategic planning efforts for Duke Power Company.

Implemented a much more structured and disciplined approach to forward generation and financial planning. Expanded the planning horizon from three to ten years, in order to capture key decision drivers. Led efforts to acquire non-nuclear generation assets to expand the power company generation portfolio.

11/01/2002-12/31/2004 VP, Nuclear Support Duke Power Company

Annual O&M Budget: \$150 Million

Primary Accomplishment: Managed nuclear support functions, including Nuclear Fuels management, core design and fuels purchasing, Nuclear Supply chain services, Regulatory/ Self-Assessment functions and Engineering/ Scientific Services.

ND_004813

Enclosure 2

12/14/1997-10/31/2002 **Site VP- Oconee Nuclear Station;** Duke Power Company Annual O&M Budget: \$215 Million

Primary Accomplishment: Developed and implemented turnaround strategy to recover profitability while regaining regulatory confidence. Developed and led initiatives to change culture to support competitive success. Put in place a management team which would drive the organization to success. Implemented communications strategies to better engage workforce to support needed changes. Dramatically increased the discipline and structure for management decision-making. Led development of a five-year business and workforce plan to provide longer-term focus, rather than reactive approaches.

08/01/1995-12/14/1997 **Site VP - Catawba Nuclear Station;** Duke Power Company Annual O&M Budget: \$160 Million

Primary Accomplishment: Led continuous improvement in business focus and results. Developed communication strategies to engage workforce in organizational improvement.

11/01/1991-08/01/1995 **Station Manager, Catawba Nuclear Station,** Duke Power Company Annual O&M Budget: \$ 80 Million

Primary Accomplishment: Led group through re-organization and selected people for key management roles. Improved business results while engaging workforce. Led development of an approach to human performance improvement which became the model for the nuclear function.

01/01/1989-11/01/1991 **Maintenance Superintendent, Catawba Nuclear Station**
Duke Power Company

03/01/1987-01/01/1989 **Superintendent of Station Services; Catawba Nuclear Station Duke Power Company**

Primary Accomplishment: Managed Human Resources function during times of first company-wide layoff. Coordinated selection and implementation planning for downsizing. Coordinated station communication planning and Employee Relations plans to ensure effective maintenance of employee engagement.

09/14/1974 03/01/1987 Held various roles in engineering, operations and project management within the Nuclear Generation function of Duke Power Company.

ND_004814

Enclosure 2

Professional Associations:

- 1.) B&W Owners Group Chairman of Executive Committee (2 years)
Led B&WOG during time of transition and challenges from industry consolidation and regulatory pressures.
- 2.) Member, INPO Executive Review Group (5 years)
Provided advice and consultation to management of INPO during time of significant changes. Often asked to work on subcommittees to provide assistance in shaping key process changes.
- 3.) Member, Nuclear Energy Institute Program and Resources Committee (2 years)
Developed plans for NEI involvement to improve industry position with regulators and legislators.
- 4.) Member, Electric Power Research Institute, Nuclear Power Council
Led industry efforts to deal with significant materials reliability issues in BWRs and PWRs, managed oversight of programs to deploy industry resources to address key technical and regulatory issues.
- 5.) Board Member, National Academy for Nuclear Training
Participated in and led Board reviews to determine accreditation of nuclear training programs for US, Canadian and South African power plants.

Civic Involvement:

- 1.) Board member, Chattanooga Aquarium:
Served as a member of the Board of Directors of the Chattanooga Aquarium, one of the largest aquarium and educational operations on the US. Helped lead expansion and redirection of the aquarium in response to changing economic conditions and competitive landscape.
- 2.) Board member, Chattanooga Chamber of Commerce:
The Chattanooga Chamber is a very active and effective force in recruiting new and expanded business into the Chattanooga area.
- 3.) Board member, Georgia Tech Nuclear and Radiological Health Physics Advisory Board
- 4.) Board Chair, Fluoride High Temperature Reactor External Advisory Board. Led an advisory Board for a multi-university government funded research project to move the design of an advanced Fluoride salt cooled reactor toward commercialization by resolving key technical barriers and analytical gaps.

ND_004815

DEPOSITION EXHIBIT

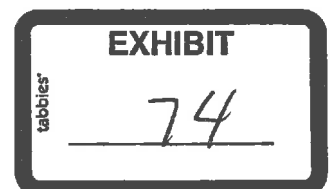
74

To: bill@wrnccollum.com[bill@wrnccollum.com]
From: MIGNOGNA Gary (AREVA)[Gary.Mignogna@areva.com]
Sent: Thur 1/5/2017 2:27:36 PM (UTC)
Subject: NRC Meeting

Are you preparing Frank for the NRC meeting? What is his goal or your goal for the meeting? From my perspective, there are two topics that need to be covered. First is the process for transferring of the construction permit and upgrading the status from deferred to full; and second is the allocation of NRC resources to support Bellefonte licensing over the duration of the project.

For attendance, I assume it's you, Frank, and me (also possibly Gary Peters who is our VP Licensing & Regulatory Affairs). We need to submit the names in advance to gain access, so let me know if I have the attendance wrong.

Thanks,
GMM



ND_001664

DEPOSITION EXHIBIT

75

To: William R McCollum Jr [bill@wrnccollum.com]
From: Shea, Joseph W [jwshea@tva.gov]
Sent: Tue 3/14/2017 3:42:39 PM (UTC)
Subject: Re: Bellefonte CP Transfer Path Forward

Looking forward to it.

Joe

Sent from my BlackBerry 10 smartphone on the Verizon Wireless 4G LTE network.

From: William R McCollum Jr
Sent: Tuesday, March 14, 2017 11:41 AM
To: Shea, Joseph W
Subject: Re: Bellefonte CP Transfer Path Forward

TVA External Message. Please use caution when opening.

Joe,

1:30 it is. I'll meet you at the sign that says "RIC cancelled" .

Bill McCollum

On Mar 14, 2017, at 11:06, Shea, Joseph W <jwshea@tva.gov> wrote:

Bill,

Sounds good. Why don't we meet just inside the exhibit hall and then find an empty conference room. How about 1:30?

Joe

From: William R McCollum Jr [mailto:bill@wrnccollum.com]
Sent: Tuesday, March 14, 2017 11:02 AM
To: Shea, Joseph W
Subject: Re: Bellefonte CP Transfer Path Forward

TVA External Message. Please use caution when opening.

Joe,

I agree. I am at the Marriott now. Just let me know what's a good time for you. I'm free to day after lunch if that works.

Bill McCollum

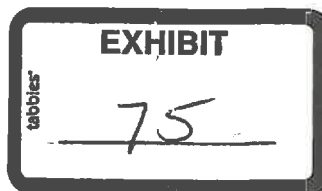
On Mar 14, 2017, at 10:23, Shea, Joseph W <jwshea@tva.gov> wrote:

Bill,

As we discussed on the phone a month or two back, it may be of value to compare notes on Nuclear Development's plans for the CP transfer while in town for the RIC. Let me know if that is of interest to you.

Thanks
Joe

Joseph Shea



ND_002937

Vice President, Nuclear Licensing

Tennessee Valley Authority

423-751-6887 (o)

423-718-9576 (c)

DEPOSITION EXHIBIT

76

To: bill@wrnccollum.com[bill@wrnccollum.com]; Frank Haney (frankhaney@flhcompany.com)[frankhaney@flhcompany.com]; Blust, Larry[lblust@hsplegal.com]
Cc: PETERS Gary (AREVA)[Gary.Peters@areva.com]; BRYAN Marty (AREVA)[Martin.Bryan@areva.com]; ELLIOTT Gayle (AREVA)[Gayle.Elliott@areva.com]
From: WHITTEN Patrick (AREVA)[Patrick.Whitten@areva.com]
Date: Fri 1/27/2017 7:10:08 PM (UTC)
Subject: NRC Commission Meetings

Gentlemen,

From your meeting with the NRC on January 23, a followup meeting with each Commissioner was agreed. AREVA is confirming to meet on April 24 and we request you to confirm that this date is acceptable for you and to identify who will be attending on behalf of ND. We are working to confirm meeting times for all the Commissioners in the afternoon.

Regards, Pat

Patrick Whitten, PE
Contracts
Installed Base, AREVA Inc.

434.832.2625 (o) ~ 434.544.1633 (m) ~ 434.382.2625 (fax)
patrick.whitten@areva.com ~ www.us.areva.com

From: ELLIOTT Gayle (DTI)
Sent: Friday, January 27, 2017 1:33 PM
To: WHITTEN Patrick (IB)
Cc: PETERS Gary (DTI)
Subject: NRC Commission Meetings

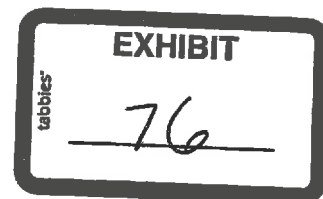
Pat,

NRC Commission meetings are being confirmed for April 24th. This is in response to an action item that developed from the January 23rd meetings with the NRC EDO and Directors. Meetings with the Commission are needed to discuss the status of the Bellefonte project and the need for resources to support the project.

Please work with ND's Bill McCollum, Frank Haney Sr., and Franklin Haney Jr. to determine their availability for attendance at these meetings. Currently we are meeting with Commissioner Baran at 2:30 p.m. and Commissioner Burns at 3:00 p.m. I am still working to confirm a time for Chairman Sviniki; she is available but no time has yet been confirmed.

Thank you,

Gayle Elliott
Deputy Director, Licensing & Regulatory Affairs
AREVA Inc.
3315 Old Forest Road
Lynchburg, Va. 24501
Office: (434) 832-3347
Cell: (434) 841-0306
email: gayle.elliott@areva.com



ND_001830

DEPOSITION EXHIBIT

77

To: victor.mccree@nrc.gov[victor.mccree@nrc.gov]; michael.johnson@nrc.gov[michael.johnson@nrc.gov];
bill.dean@nrc.gov[bill.dean@nrc.gov]; vonna.ordaz@nrc.gov[vonna.ordaz@nrc.gov]
Cc: Franklin Haney, Sr.[flh@flhcompany.com]; Frank Haney[frankhaney@flhcompany.com]; Larry
Blust[lblust@HSPLEGAL.COM]
From: bill@wrmccollum.com[bill@wrmccollum.com]
Date: Wed 2/1/2017 7:41:39 PM (UTC)
Subject: Bellefonte Nuclear Station
BLN Project Ind Resource Schedule.pdf
Bellefonte Indicative Schedule .pdf

Victor,

I appreciate you and your staff members meeting with us on January 23rd to discuss the Bellefonte Nuclear project, the purchase of the Bellefonte Nuclear site by Nuclear Development, LLC (ND) and our plans to apply for transfer of the Construction permits from TVA to ND. Following a successful transfer of the permits from TVA to ND we intend to proceed with submitting our Operating License application under 10 CFR Part 50 and plan to restart construction activities, following successful satisfaction of all regulatory requirements.

Per your request, attached are two documents relating to the project schedule and resource plans. The first is a timeline of major project milestones, the second is a bar graph indicating our plans for ramping up construction resources to complete units 1 & 2. I hope this provides NRC with the information you need to begin to plan for resources to support the Bellefonte project. Please let me know if you have any questions on these attachments.

Realizing that in these matters more detail is always welcome, I will send you more detailed timeline and resource information as soon as it is available. In the meantime, please don't hesitate to reach out to me if there are any questions or concerns related to the project.

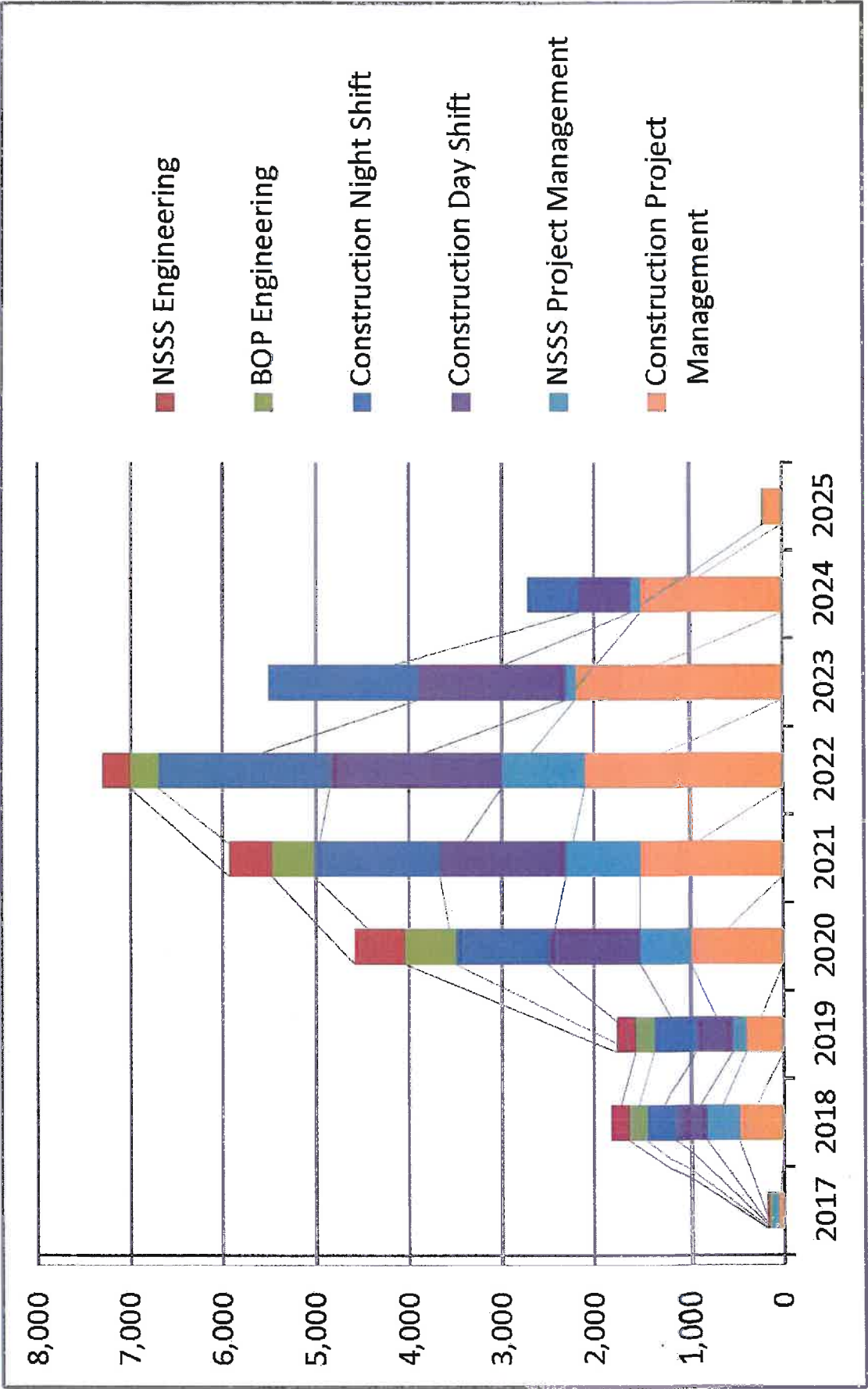
Best Regards,

McCollum



ND_001866

Bellefonte Nuclear Project- Indicative Resource Schedule: Units 1 & 2 Total



Bellefonte Project Schedule

Key Activities		Project Dates			
		Unit 1		Unit 2	
Activity #	Activity Description	Start	Finish	Start	Finish
1	Transfer Bellefonte to Nuclear Development and begin mobilization	Jul, 2017	Dec, 2017	Jul, 2017	Dec, 2017
2	Engineering Fully Mobilized	N/A	Oct, 2017	N/A	Oct, 2018
3	Engineering and Design (Nuclear Steam Supply System)	Aug, 2017	Mar, 2019	Jul, 2019	Nov, 2020
4	Engineering and Design (Balance of Plant)	Aug, 2017	Mar, 2019	Sep, 2019	Mar, 2021
5	Licensing: FSAR Chapter Development and Submittals	Aug, 2017	Mar, 2019	Mar, 2018	Jan, 2020
7	Operator Training	May, 2018	Dec, 2021	May, 2018	Dec, 2021
8	Final Safety Analysis Report (FSAR) Revision and Submittal to NRC	Nov, 2018	Jun, 2019	Nov, 2018	Jun, 2019
8a	Submit Application for Operating License	Jan, 2019	N/A	Jan, 2019	N/A
8b	Operating License Review and Approval Process	Jan, 2019	Sep, 2022	Jan, 2019	Sep, 2022
9	Licensing: Transfer Construction Permit and Obtain Oper License	Jul, 2017	Mar, 2024	Aug, 2017	Mar, 2025
10	Simulator Received and Acceptance Tested Onsite	May, 2020	Sep, 2020	N/A	N/A
11	Active Construction	Jan, 2018	Jan, 2022	Jun, 2019	Jun, 2023
12	Component Testing / System Hydro's	Nov, 2020	Mar, 2022	Nov, 2021	Nov, 2023
13	Replacement of Steam Generators	Mar, 2020	Sep, 2020	Oct, 2020	May, 2021
14	System Turnovers to Start-Up Organization	Jun, 2019	Mar, 2022	Jun, 2020	Aug, 2023
16	Switchyard Reconstruction	Aug, 2020	Mar, 2022	Aug, 2020	Mar, 2023
17	Turbine/Generator Upgrade and Overhaul	Jul, 2019	Aug, 2020	Jul, 2020	Aug, 2021
18	Cold Hydro Testing	Mar, 2022	Apr, 2022	Sep, 2023	Oct, 2023
19	Hot Functional Testing	Jul, 2022	Aug, 2022	Jan, 2024	Feb, 2024
20	Pre-Fuel Load Surveillance Testing	Aug, 2022	Oct, 2022	Feb, 2024	Apr, 2024
21	Fuel Load	Oct, 2022	Nov, 2022	Apr, 2024	May, 2024
22	Perform Post-Fuel Core Flow Testing	Nov, 2022	Dec, 2022	May, 2024	Jun, 2024
22A	Initial Criticality and Low-Power Physics Testing	Jan, 2023	Feb, 2023	Jul, 2024	Aug, 2024
23	Initial Synchronization to the Grid	Feb, 2023	Feb, 2023	Aug, 2024	Aug, 2024
24	Power Ascension Testing	Feb, 2023	May, 2023	Aug, 2024	Nov, 2024
25	Commercial Operation Declared	N/A	May, 2023	N/A	Nov, 2024

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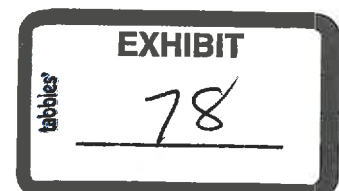
78

To: bill@wrnccollum.com[bill@wrnccollum.com]
From: Akstulewicz, Frank[Frank.Akstulewicz@nrc.gov]
Sent: Mon 2/6/2017 1:39:40 PM (UTC)
Subject: Nuclear Development, LLC efforts for Bellefonte 1 & 2

od Morning,

By way of getting the conversation started, I am Frank Akstulewicz and my position is the Division Director for the Division of New Reactor Licensing. Subsequent to your recent visit to our Executive Director for Operations (Victor McCree), I was informed that the licensing activities for Bellefonte 1& 2 will occur out of my Division. I believe that we could benefit from a phone call to exchange contact information and to learn more about how your project is structured, if all your project organization is settled and ready to interface with NRC, how and when we implement our fee billing procedures, and when might be a good time for a working group meeting so that our project managers and your staff can meet face-to-face to discuss the project timelines.

Frank Akstulewicz
Director, Division of New Reactor Licensing
Office of New Reactors
301-415-1199



ND_001884

DEPOSITION EXHIBIT

79

To: William R McCollum Jr [bill@wrnccollum.com]
From: Akstulewicz, Frank [Frank.Akstulewicz@nrc.gov]
Sent: Wed 6/7/2017 12:12:53 PM (UTC)
Subject: RE: Re: Bellefonte units 1&2

od Morning Bill

Was wondering if there was time today or tomorrow to get an update on the Bellefonte project. Would like to hear about progress with DOE and funding, progress in developing the license transfer application and schedule, and progress in setting up a licensing and technical organization for the project.

If not this week, then maybe the week of June 19. I'm on travel the week of June 12 – 16

My phone number is 301- 415- 2248 (direct line)

Or

301 – 415- 1199 (my admin assistant)

Look forward to our future discussion

Frank

From: William R McCollum Jr [mailto:bill@wrnccollum.com]
Sent: Thursday, April 20, 2017 3:30 PM
To: Akstulewicz, Frank <Frank.Akstulewicz@nrc.gov>
Subject: [External_Sender] Re: Bellefonte units 1&2

Yes, My position with Nuclear Development, LLC is Vice-President, Nuclear Operations .

Bill McCollum

On Apr 20, 2017, at 14:16, Akstulewicz, Frank <Frank.Akstulewicz@nrc.gov> wrote:

So are you now contractually connected to Nuclear Development as the licensing organization?

From: bill@wrnccollum.com [mailto:bill@wrnccollum.com]
Sent: Thursday, April 20, 2017 1:14 PM
To: Akstulewicz, Frank <Frank.Akstulewicz@nrc.gov>
Subject: [External_Sender] RE: Re: Bellefonte units 1&2

Frank,

We could do a call tomorrow between 10:00am to 11:00 am Eastern, or between 1:30pm-4:30pm Eastern. Please let me know if there is a time that will work for you.

Because of travel commitments, Frank asked that I take the lead on the call, he will join if he is available. Just let me know what works best for you guys.

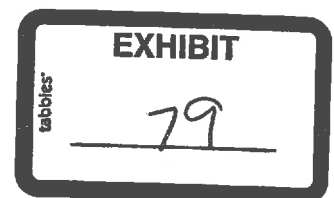
Thanks,

Bill McCollum

----- Original Message -----

Subject: RE: Re: Bellefonte units 1&2
From: "Akstulewicz, Frank" <Frank.Akstulewicz@nrc.gov>
Date: Tue, April 18, 2017 1:24 pm
To: Frank Haney <frankhaney@flhcompany.com>
Cc: "bill@wrnccollum.com" <bill@wrnccollum.com>, "MIGNOGNA Gary (AREVA)" <Gary.Mignogna@areva.com>, "PETERS Gary (AREVA)" <Gary.Peters@areva.com>

Hello Mr. Haney



ND_003287

Vonna Ordaz, current Acting Office Director in the Office of New Reactors, would like to set up a phone call with the Nuclear Development, LLC folks related to activities ongoing with respect to license transfer and future construction and licensing.

She was wondering if we could have the call before the end of this week. Please let me know what times work for you and we will try to pick a time that works for both of us.

Thanks.

Frank Akstulewicz
Director, Division of New Reactor Licensing
Office of New Reactors
301-415-1199

From: Frank Haney [<mailto:frankhaney@flhcompany.com>]
Sent: Friday, February 10, 2017 3:58 PM
To: PETERS Gary (AREVA) <Gary.Peters@areva.com>
Cc: bill@wrmccollum.com; MIGNOGNA Gary (AREVA) <Gary.Mignogna@areva.com>; Akstulewicz, Frank <Frank.Akstulewicz@nrc.gov>
Subject: [External_Sender] Re: Bellefonte Completion Schedule

We sent same schedule we submitted to doe.

Frank

Sent from my iPhone

On Feb 10, 2017, at 3:20 PM, PETERS Gary (AREVA) <Gary.Peters@areva.com> wrote:

Bill – can you please contact Frank Akstulewicz (NRC, Director New Reactor Licensing) at 301-415-2248. He is meeting with other NRC Directors next week to discuss how they are going to support the schedule you recently sent them. I have not seen the schedule you sent to the NRC, so I was unable to answer Frank's questions. They also want to understand the best points of contact for all the major action items.

Thanks

Gary

Director, Licensing and Regulatory Affairs
434 832-3945

DEPOSITION EXHIBIT

80

To: Bill McCollum (bill@wrmccollum.com)[bill@wrmccollum.com]
Cc: Dixon-Herrity, Jennifer[Jennifer.Dixon-Herrity@nrc.gov]
From: Gleaves, Bill[Bill.Gleaves@nrc.gov]
Sent: Thur 9/14/2017 3:19:32 PM (UTC)
Subject: Request for Business Plan for Bellefonte Units 1 & 2
Bellefonte Business Email.pdf

Mr. McCollum,

We are at the point where we are focusing on the future of the work in the New Reactor Business Line in preparation for the start of the budget cycle for upcoming fiscal years and putting together business model discussions for each project. I've attached the Business Model you have sent previously. Please mark it up to reflect your plans going forward to ensure that NRC budgets appropriately to best support your plans.

We would then appreciate a meeting (either in-person or by conference call) to discuss and finalize our budget cycle plan. The goal is to hold that meeting before the end of September so that the document is available for agency budget discussions in October. I'm including a generic list of questions that we've sent out to applicants/licensees that we looking forward to being addressed in the plan. This is a process that we do annually for all applicants. We look forward to meeting with you.

For your convenience, I'd like to let you know that we have the following opportunities open to discuss the subject:
9.21.17, Thursday 1-2pm
9.26.17, Tuesday, 8:30-9:30am
9.28.17, Thursday, 8:30-9:30am
Other times are available.

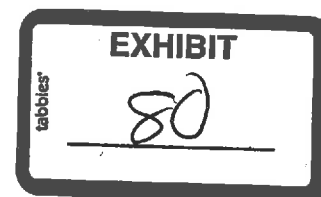
Do note that these discussions and the resulting business plan write up will be treated as proprietary or sensitive internal information.

Please let me know if you have questions. To reach me you may use my office phone at 301-415-5848 but know that I'm not good at retrieving messages. I prefer message by email and communications by calling or texting my cell at 443-756-19.

Sincerely,

Billy
William (Billy) Gleaves
Lead Project Manager for
V.C. Summer Units 2 and 3
Licensing Branch 4
Office OWFN 8H17
US NRC, Office of New Reactors

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CONFIDENTIAL

ND_003466

Bauer, Laurel

Subject: FW: Bellefonte Nuclear Station
Attachments: BLN Project Ind Resource Schedule.pdf; Bellefonte Indicative Schedule .pdf

From: "Bill McCollum" <bill@wmccollum.com> <bill@wmccollum.com>
Subject: [External_Sender] Bellefonte Nuclear Station
Date: 01 February 2017 14:41
To: "McCrez, Victor" <Victor.McCrez@nrc.gov>, "Johnson, Michael" <Michael.Johnson@nrc.gov>, "Dean, Bill" <Bill.Dean@nrc.gov>, "Ordaz, Vonna" <Vonna.Ordaz@nrc.gov>
Cc: "Haney Franklin" <fhf@fhccompany.com>, "Frank Haney" <frankhaney@fhccompany.com>, "Larry Blust" <lblust@HSPLETCAL.COM>
Victor,

I appreciate you and your staff members meeting with us on January 23rd to discuss the Bellefonte Nuclear project, the purchase of the Bellefonte Nuclear site by Nuclear Development, LLC (ND) and our plans to apply for transfer of the Construction permits from TVA to ND. Following a successful transfer of the permits from TVA to ND we intend to proceed with submitting our Operating License application under 10 CFR Part 50 and plan to restart construction activities, following successful satisfaction of all regulatory requirements.

Per your request, attached are two documents relating to the project schedule and resource plans. The first is a timeline of major project milestones, the second is a bar graph indicating our plans for ramping up construction resources to complete units 1 & 2. I hope this provides NRC with the information you need to begin to plan for resources to support the Bellefonte project. Please let me know if you have any questions on these attachments.

Realizing that in these matters more detail is always welcome, I will send you more detailed timeline and resource information as soon as it is available. In the meantime, please don't hesitate to reach out to me if there are any questions or concerns related to the project.

Best Regards,

Bill McCollum

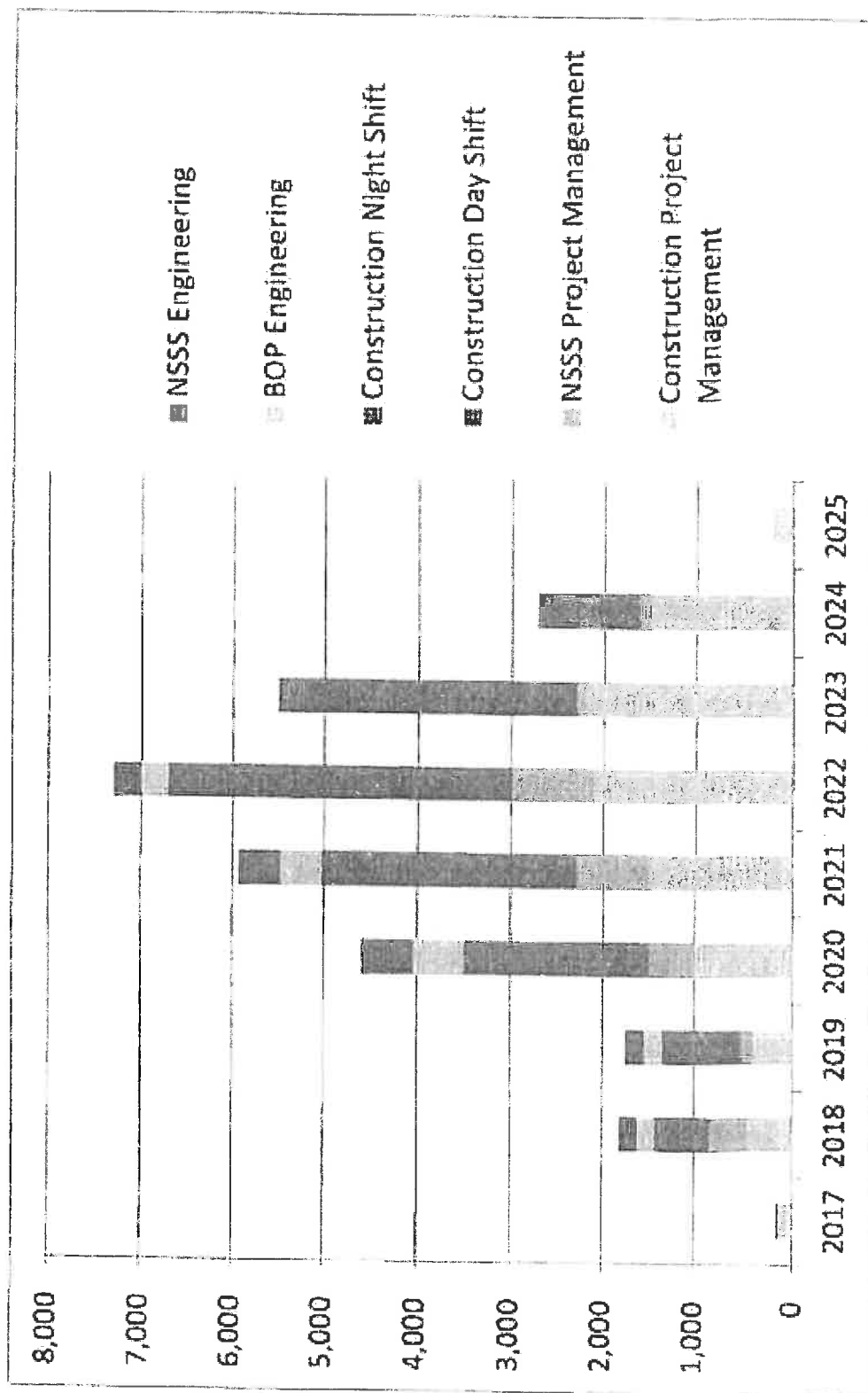
Bellefonte Project Schedule

Activity #	Key Activities	Project Dates			
		Unit 1		Unit 2	
Activity #	Activity Description	Start	Finish	Start	Finish
1	Transfer Bellefonte to Nuclear Development and begin mobilization	Jul. 2017	Dec. 2017	Jul. 2017	Dec. 2017
2	Engineering Fully Mobilized	N/A	Oct. 2017	N/A	Oct. 2018
3	Engineering and Design (Nuclear Steam Supply System)	Aug. 2017	Mar. 2019	Jul. 2019	Nov. 2020
4	Engineering and Design (Balance of Plant)	Aug. 2017	Mar. 2019	Sep. 2019	Mar. 2021
5	Licensing: FSAR Chapter Development and Submittals	Aug. 2017	Mar. 2019	Mar. 2018	Jan. 2020
7	Operator Training	May. 2018	Dec. 2021	May. 2018	Dec. 2021
8	Final Safety Analysis Report (FSAR) Revision and Submitted to NRC	Nov. 2018	Jun. 2019	Nov. 2018	Jun. 2019
8a	Submit Application for Operating License	Jan. 2019	N/A	Jan. 2019	N/A
8b	Operating License Review and Approval Process	Jan. 2019	Sep. 2022	Jan. 2019	Sep. 2022
9	Licensing: Transfer Construction Permit and Obtain Oper License	Jul. 2017	Mar. 2024	Aug. 2017	Mar. 2025
10	Simulator Received and Acceptance Tested Onsite	May. 2020	Sep. 2020	N/A	N/A
11	Active Construction	Jan. 2018	Jan. 2022	Jun. 2019	Jun. 2023
12	Component Testing / System Hydraulics	Nov. 2020	Mar. 2022	Nov. 2021	Nov. 2023
13	Replacement of Steam Generators	Mar. 2020	Sep. 2020	Oct. 2020	May. 2021
14	System Turnovers to Start-Up Organization	Jun. 2019	Mar. 2022	Jun. 2020	Aug. 2023
16	Switchyard Reconstruction	Aug. 2020	Mar. 2022	Aug. 2020	Mar. 2023
17	Turbine/Generator Upgrade and Overhaul	Jul. 2019	Aug. 2020	Jul. 2020	Aug. 2021
18	Cold Hydro Testing	Mar. 2022	Apr. 2022	Sep. 2023	Oct. 2023
19	Hot Functional Testing	Jul. 2022	Aug. 2022	Jan. 2024	Feb. 2024
20	Pre-Fuel Load Surveillance Testing	Aug. 2022	Oct. 2022	Feb. 2024	Apr. 2024
21	Fuel Load	Oct. 2022	Nov. 2022	Apr. 2024	May. 2024
22	Perform Post-Fuel Core Flow Testing	Nov. 2022	Dec. 2022	May. 2024	Jun. 2024
22A	Initial Criticality and Low-Power Physics Testing	Jan. 2023	Feb. 2023	Jul. 2024	Aug. 2024
23	Initial Synchronization to the Grid	Feb. 2023	Feb. 2023	Aug. 2024	Aug. 2024
24	Power Ascension Testing	Feb. 2023	May. 2023	Aug. 2024	Nov. 2024
25	Commercial Operation Declared	N/A	May. 2023	N/A	Nov. 2024

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ND_003468

Bellefonte Nuclear Project- Indicative Resource Schedule: Units 1 & 2 Total



DEPOSITION EXHIBIT

81

To: Bill McCollum (bill@wrmccollum.com)[bill@wrmccollum.com]
Cc: Dixon-Herrity, Jennifer[Jennifer.Dixon-Herrity@nrc.gov]
From: Gleaves, Bill[Bill.Gleaves@nrc.gov]
Sent: Tue 9/19/2017 12:35:30 PM (UTC)
Subject: NRC Guidance on License Transfers
107 R2 License Transfers.pdf

Mr. McCollum

Attached to this email (and also found in NRCs ADAMS document system at ML17031A006) is the NRCs Office Instruction on "Procedures for Handling License Transfers." The Office Instruction lays out the NRC policy on the issue, as well as gives insight as to how the staff will process a license transfer request. As this is not a "Standard Review Plan" it doesn't delineate precisely the requirements for a license transfer application.

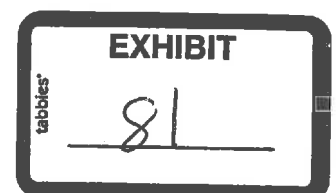
Sincerely,

Billy

P.S. – I hope that you have received my other previous emails in earlier weeks.

William (Billy) Gleaves
Senior Project Manager
Licensing Branch 4
Office OWFN 8H17
US NRC, Office of New Reactors

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ND_003474



U.S. Nuclear Regulatory Commission
Office of Nuclear Reactor Regulation

NRR OFFICE INSTRUCTION

Change Notice

Office Instruction No.: LIC-107, Revision 2

Office Instruction Title: Procedures for Handling License Transfers

Effective Date: June 5, 2017

Approved By: Michele G. Evans

Date Approved: May 30, 2017

Primary Contact: Tanya E. Hood Richard V. Guzman
301-415-1387 301-415-1030
Tanya.Hood@nrc.gov Richard.Guzman@nrc.gov

Responsible Organization: NRR/DORL

Summary of Changes: This issuance of LIC-107, Revision 2, "Procedures for Handling License Transfers," reflects the elimination of the Office of Federal and State Materials and Environmental Management Programs (FSME); additional responsibilities for the Office of Nuclear Material Safety and Safeguards (NMSS); additional guidance on indemnity agreements; additional guidance for the licensing assistants to ensure that conforming amendments are updated in the ADAMS authority file and that any organizational name changes are reflected in the plant's boilerplates, associated NRC Web pages and plant rosters; organizational changes; the availability of updated boilerplates in ADAMS; and miscellaneous editorial changes and clarifications.

Training: None

ADAMS Accession No.: ML17031A006

Office Instruction: LIC-107, Revision 2, "Procedures for Handling License Transfers"
Dated:

ADAMS Accession No. ML17031A006

OFFICE	NRR/LPL1/PM	NRR/LSPB/LA	NRR/PFPB/BC	NRR/APHB/BC	NMSS/RDB/BC
NAME	DPickett	JBurkhardt	ABowers	SWeerakkody	BWatson
DATE	03 / 07 /2017	02 / 10 / 2017	03 / 16 /2017	03 / 13 /2017	03 / 15 /2017
OFFICE	NMSS/DUWP/D	NRR/LPL1/BC	NRR/DRA/D	NRR/DIRS/D	OGC
NAME	JTappert	JDanna	JGitter	CMiller	BMizuno
DATE	04 / 06 /2017	03 / 22 /2017	03 / 13 /2017	03 / 31 /2017	04 / 14 /2017
OFFICE	NRR/DORL/DD	NRR/PMDA/D	NRR/DD		
NAME	EBenner	SAbraham	MEvans		
DATE	03 / 28 /2017	05/12 /2017	05/30/2017		

OFFICIAL AGENCY RECORD

NRR OFFICE INSTRUCTION
LIC-107, Revision 2
Procedures for Handling License Transfers

1. POLICY

The provisions of Section 184 of the Atomic Energy Act of 1954, as amended, and the Nuclear Regulatory Commission's (NRC's) regulations at Title 10 of the *Code of Federal Regulations* (10 CFR) 50.80, "Transfer of licenses," stipulate that NRC approval is required for transfer of control of the ownership and/or operating authority responsibilities within the facility operating license. Specifically, 10 CFR 50.80(a) states, in part, that "No license for a production or utilization facility..., shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing."

An application for transfer of a license is required by 10 CFR 50.80(b) to include as much of the technical and financial qualifications information described in 10 CFR 50.33 and 50.34 on the proposed transferee as would be required for an initial license. After appropriate notice to interested persons (e.g., members of the public), an application for the transfer of a license will be approved, if the Commission determines that: (1) the proposed transferee is qualified to be the holder of the license; and (2) the transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto. For indirect license transfers that do not involve a change to the licensee, the relevant question with respect to qualifications is whether the indirect transfer of control of the license would affect the qualifications of the existing licensee to continue to hold the license. An approval of the transfer of the license will be accomplished through an order authorizing the transfer and, as necessary, a conforming license amendment will be approved by the order and will be issued when the transfer is consummated.

Other Federal (e.g., Federal Energy Regulatory Commission, Federal Trade Commission, and Department of Justice) and State (e.g., Public Service Commissions) approvals may be required before the proposed transfer can be consummated. These organizations have jurisdiction over issues such as antitrust, rates, and public benefit. The NRC reviews and authorizes, if found acceptable, the proposed transfer within the NRC's jurisdiction. However, the transfer cannot be consummated until the applicant(s) has received regulatory approvals from all governmental agencies with jurisdiction over the transfer.

2. OBJECTIVES

This office instruction describes the processing by the Office of Nuclear Reactor Regulation (NRR) of license transfer applications, including orders and associated conforming amendments. This office instruction also specifies the responsibilities of the NRR licensing project manager (PM) and the technical and financial qualifications reviewers, as well as the interfaces with other offices (e.g., Offices of the General Counsel (OGC) and Nuclear Material Safety and Safeguards (NMSS)) in processing

these licensing actions. This instruction applies to power reactors and research and test reactors.

3. **BACKGROUND**

License transfer requests can include either "direct" transfers, which are generally those that involve the transfer of ownership or operating authority of the plant itself from one entity to another (e.g., the sale of a plant), or "indirect" transfers, which are generally those that involve the transfer of ownership or control of the licensee itself rather than the facility (e.g., the formation of a new parent holding company above a licensee). License transfer requests can also include partial direct or partial indirect transfers (e.g., the sale of a percentage of a plant or a percentage of a licensee).

The transfer of a license, direct or indirect, normally does not result in any physical changes to the plant or any changes in the conduct of operations. Thus, license transfers do not involve the type of technical issues that would impact plant operation. Typically, the on-site organization and plant staff, including senior managers, will remain essentially unchanged by the license transfer, and plant procedures and policies will not change. Further, the NRC's regulations and the licensee's compliance responsibilities will not change as a result of a license transfer. Therefore, the safety and health of the public is not expected to be adversely affected by the license transfer.

The majority of the staff review of license transfer applications consists of determining whether the ultimately licensed entity meets the financial qualifications, decommissioning funding, foreign ownership, control, or domination, insurance and indemnity, and technical qualifications requirements in the NRC's regulations. The NRC has determined that requests for hearings on applications for license transfers should be governed by a separate subpart of the regulations (Subpart M of 10 CFR Part 2) that provides an efficient and streamlined process for handling hearing requests associated with license transfer applications. The guidance in this office instruction applies to all license transfers conducted under 10 CFR 50.80.

4. **BASIC REQUIREMENTS**

License transfers are unique in that they result in the exchange of ownership and/or the responsibility for operating a nuclear facility. Typically, the exchange is orchestrated by a team of lawyers representing both the current and future owners and is financially supported by complex agreements that are planned and scheduled for months in advance. It is critical that the PM be aware of the planned transaction date of the license transfer and that the staff's review be supportive of the proposed schedule. Significant financial penalties can be incurred on all parties involved if the staff's review does not support the planned transaction date.

The legal staff of OGC will be involved throughout the processing of the application. Frequent communications between OGC and the legal staffs of the current and/or future owners will occur. Once the application is submitted, the PM should immediately confer with the assigned attorney from OGC to confirm the licensee's characterization of the proposed transaction as being direct versus indirect.

Processing of applications for license transfers is, in many respects, similar to the processing of other licensing actions. Submittals are made to the NRC under oath and affirmation by applicants (current and proposed licensees). If the application is not being made by the current licensee, the applicant should clearly state that the application is being made on behalf of the current licensee, unless there is a hostile acquisition involved, which would be extremely rare and in which case the NRC must give appropriate notice to the current licensee. Staff evaluations are then conducted, and a safety evaluation (SE) is prepared that will accompany the order. In direct transfers, a license amendment will normally be issued upon consummation of the transfer to conform the facility operating license and technical specifications to reflect the new owner and/or operator. The thorough involvement of OGC during the processing of the application from the initial individual *Federal Register* (FR) notice to the final order is essential.

5. RESPONSIBILITIES AND AUTHORITIES

Office of General Counsel

The Operating Reactors Division of OGC provides legal advice regarding operating reactors and represents the NRC's staff position in administrative proceedings concerning applications for license amendments. Legal services include, in part, reviewing applications for license transfers, providing advice to the Office of Commission Appellate Adjudication staff regarding license transfer adjudicatory proceedings when the staff is not a party to these proceedings, representing the staff when it is a party to license transfer adjudicatory proceedings, advising the staff on implementation of the Price-Anderson Act, being the point of contact between the NRC and counsel representing licensees and prospective licensees in license transfer applications, and advising the staff throughout the entire license transfer process. Legal services in support of license transfers includes reviewing the initial FR notice, reviewing requests for additional information, and reviewing the proposed order, safety evaluation, and conforming amendments.

Director, NRR

Consistent with the delegation of signature authority in NRR Office Instruction ADM-200, "Delegation of Signature Authority," the Director of NRR signs all orders authorizing the direct transfer of operating licenses and approving the associated conforming amendments for both power reactors and research and test reactors. Although the conforming amendment(s) is not signed and issued until the actual transfer of the ownership of the plant and/or operating authority is consummated, the conforming amendment(s) is approved by the order.

Director, NMSS

If the facility is in SAFSTOR or has been transferred to NMSS in accordance with NRR Office Instruction COM-101, "NRR Interfaces with NMSS," and a "Transfer of Project Management Responsibilities" memorandum has been signed, NMSS prepares the

order and the Director of NMSS, or designee, signs the order for both direct and indirect license transfers. The Director of NMSS, or designee, also signs the order for any transfer of an independent spent fuel storage installation (ISFSI) that has a specific license as opposed to authorization under the general license provisions of Subpart K to 10 CFR Part 72, "General License for Storage of Spent Fuel at Power Reactor Sites." Finally, the Director of NMSS, or designee, signs the amended ISFSI license if a specific license is involved.

NRR Divisions

The NRR focal points for initial assessment of license transfer requests are the Division of Operating Reactor Licensing (DORL) and the Division of Licensing Projects (DLP). Staff within DORL is responsible for overall management of the review for power reactors whereas DLP is responsible for overall management of the review for research and test reactors.

Director of DORL

Consistent with the delegation of signature authority in ADM-200, the Director of DORL signs all orders approving indirect license transfers for power reactors. In the unusual situation where license amendments are involved with an indirect transfer, the Director of DORL will sign them when issued.

DORL Project Manager

Project manager responsibilities are similar to those for other licensing actions. In addition to the process presented in this office instruction, PMs can find general and other supporting guidance in NRR Office Instruction LIC-101, "License Amendment Review Procedures."

Unlike other licensing actions where OGC does its review and provides "no legal objection" at the conclusion of the review, OGC should be involved from the beginning of the review for license transfers.

The PM will need to be cognizant whether an ISFSI has a specific license or is authorized under the general license provisions of Subpart K to 10 CFR Part 72. Whether an ISFSI is authorized under a specific license or a general license can be readily determined by referring to the appendix to NUREG-1350, "Information Digest," entitled, "Dry Cask Spent Fuel Storage Licensees." Review and approval by NMSS is not required for the transfer of an ISFSI authorized under a general license. However, as discussed further in this office instruction, NMSS approval is required when dealing with an ISFSI authorized under a specific license. The PM will need to coordinate as appropriate with the NMSS counterpart.

DORL Licensing Assistant

Licensing assistant responsibilities are similar to those for other licensing actions. In addition to the process presented in this office instruction, licensing assistants can find general and other supporting guidance in Office Instruction LIC-101.

Division of Licensing Projects

The Director of the Division of Licensing Projects is responsible for financial reviews including decommissioning funding, foreign ownership, control, or domination, insurance and indemnity, reviews of amendments to antitrust license conditions, and for all licensing and oversight for research and test reactors. The Director also signs all orders approving indirect license transfers for research and test reactor licenses, as well as associated license amendments.

Research and Test Reactors Licensing Branch

The Research and Test Reactors Licensing Branch is responsible for overall management of license transfer reviews for research and test reactors. Project management responsibilities for these transfers are similar to those for power reactor license transfers

Financial Projects Branch

The Branch Chief of the Financial Projects Branch (PFPB) is responsible for assigning the review resources and complying with the agreed upon schedule for completion of the financial qualification evaluation as reflected in the NRR Reactor Program System - Licensing/Workload Management (RPS - Licensing/WM) software. The Branch Chief determines whether the target dates and estimate of staff hours required for the review are reasonable. If not, the Branch Chief negotiates new figures with the DORL staff and assigns a PFPB financial analyst to perform the review.

Financial Analyst

The financial analyst will review the financial qualifications, including decommissioning funding, foreign ownership, control, or domination, and insurance and indemnity of the new licensee if a direct transfer is involved or the effect on the current licensee if an indirect transfer is involved, and provide SE input. The financial analyst will work closely with the assigned OGC attorney during the review.

Division of Risk Assessment

The Director of the Division of Risk Assessment is responsible, in part, for providing technical expertise in evaluating licensee technical qualifications.

Operations and Human Factors Branch

The Branch Chief of the Operations and Human Factors Branch is responsible for assigning the review resources and complying with the agreed upon schedule for completion of the technical qualifications evaluation as defined in the RPS - Licensing/WM software. The Branch Chief determines whether the target dates and estimate of staff hours required for the review are reasonable. If not, the Branch Chief negotiates new figures with the DORL staff and assigns a technical qualifications reviewer to perform the review.

Technical Qualifications Reviewer

The technical qualifications reviewer from the Operations and Human Factors Branch will provide an SE input in those transfer cases where the responsibility for the operating authority, plant staffing, technical qualifications, or organizational structure is changed by the transfer.

Other Technical Review Organizations

Branches within the Office of Nuclear Security and Incident Response (NSIR) may provide input on special emergency preparedness or security issues, while NMSS may address spent fuel issues that might be affected by the proposed license transfer. Inputs should be provided to the PM in accordance with the schedule agreed upon in the RPS - Licensing/WM software, so as not to delay issuance of the transfer order.

6. ACTIVITIES IN PROCESSING LICENSE TRANSFER APPLICATIONS

Note: Because the license transfer process is a complex matter governed by many regulations, a companion checklist has been prepared to assist PMs with identifying and addressing all details appropriately. The checklist is included as Enclosure 2 to this office instruction. Project Managers are urged to use the checklist in combination with this office instruction.

The governing parts of the regulations are 10 CFR Part 2, Subpart M (e.g., 2.1301, 2.1315, and 2.1316), 10 CFR Sections 50.33, 50.34, 50.38, 50.40, 50.54(w), 50.80, 50.90 (if an amendment request is involved) and 10 CFR Parts 51 and 140.

Section III.1.e of NUREG-1577, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance," describes the types of transfers that are subject to a 10 CFR 50.80 review. Examples include those involving ownership changes, mergers, formation of holding companies, creation of new unregulated entities which are either subsidiaries of a holding company or stand-alone entities, and other restructuring proposals that go beyond corporate name changes or simple internal reorganizations of functions. If the entity that will become the operating authority (i.e., the operator) is different from the entity that will have ownership of the facility, the financial qualifications for both entities need to be assessed. In this regard, the Commission has stated that, while the same type of financial review done for an

owner is not applicable, there still has to be a financial review for the operator. The operator review is a combination of the financial qualifications of the owner (assuming it is ultimately responsible for costs) with the analysis of the contract between the owner and the operator regarding the payment of costs. The Commission's ruling requiring an appropriate financial qualifications review of a non-owner operator is in the Northern States Power Company/Monticello case, CLI-00-14, 52 NRC 37 (2000), and the companion case, CLI-00-19, 52 NRC 135 (2000).

The NRC consents to license transfers via an order. The order is accompanied by a supporting SE which, in turn, typically has a proprietary and a non-proprietary version due to the discussion of proprietary financial information as part of the financial qualifications analysis. The DORL or DLP administrative staffs and licensing assistants must ensure that the proprietary version of the SE is not dispatched to organizations that have not entered into a non-disclosure agreement with the owner of the information. For indirect license transfers, issuance of the order and SE generally concludes the staff's actions. Direct license transfers typically occur in two separate actions. The first action includes issuance of the order and SE with an unsigned, unnumbered, and undated conforming amendment. The second action includes issuance of the signed, numbered, and dated conforming amendment. As a condition of the license transfer order, the licensee/applicant will inform the staff when all approvals are in place and that the transfer will occur on a specific date. When the specified date arrives and upon notification by the applicant that the transfer will be consummated, the staff will sign and issue the conforming amendment. As its name implies, the conforming amendment does no more than conform the license to reflect the transfer action and is administrative in nature. Typically, a conforming amendment will change the name of the licensee throughout the license so that the license accurately reflects the approved license transfer.

An example of an indirect license transfer is the transfer of the ultimate ownership of the Susquehanna renewed facility operating licenses and general ISFSI license, which is available in Agencywide Documents Access and Management System (ADAMS) under Accession No. ML16320A084. An example of a direct license transfer is the transfer from Entergy to Exelon of the FitzPatrick renewed facility operating license and general ISFSI license. The FitzPatrick order consenting to the license transfer, the supporting SE, and the unsigned, undated, and unnumbered conforming amendment are available in ADAMS under Accession No. ML17041A196. The signed, dated, and numbered conforming amendment for FitzPatrick is available in ADAMS under Accession No. ML17082A283. An example of an amendment to an indemnity agreement is available in ADAMS under Accession No. ML15161A121.

Upon receipt of an application for either a direct or indirect license transfer, the PM, in conjunction with the applicable technical review groups, perform the acceptance review in accordance with NRR Office Instruction LIC-109, "Acceptance Review Procedures," to ensure that the application contains sufficient information as required by 10 CFR 50.80 for the staff to conduct its review. The PM will determine whether the applicant has provided the basis for its schedule request and whether the schedule request is reasonable. If not, the PM and the assigned OGC attorney should contact the applicant and negotiate an appropriate time period for the staff to complete its evaluation. The PM

will need to obtain a specific licensee point of contact and the licensee's schedule for completion of all regulatory reviews in order to coordinate the NRC review schedule. Although license transfer requests are typically filed by licensees, requests may also be filed by a non-licensee (e.g., the intended buyer of the plant), or a co-licensee that is not the operator of the plant (see the Wolf Creek license transfer as an example of two non-operator co-licensees requesting a license transfer despite the opposition of the third non-operator co-licensee, available in ADAMS under Accession No. ML17037D120). In all cases, the NRC products are an order and supporting SE. However, products may include a conforming license amendment and an amendment to the licensee's indemnity agreement. Project managers need to determine which of these products the application supports. License transfer applications can also vary considerably. Occasionally, the staff may not agree with a licensee's determination about the characterization of the request as indirect versus direct. Should the technical and/or legal review staffs determine that an application is incorrectly characterized or does not contain sufficient information to begin the review, the PM will follow the guidance of LIC-109 and work with the assigned OGC attorney.

If the request is for a direct transfer (i.e., one that involves a new licensee and thus requires a conforming change in the name of the owner(s) or operators stated in the license), there should be an accompanying license amendment request pursuant to 10 CFR 50.90. If not, the PM should check with OGC to determine if an amendment is required. The license amendment that conforms the operating license to the new licensees, is referred to as a conforming amendment. Normally, a license amendment is not required for an indirect transfer. However, there are exceptions, particularly if the matter involves an organizationally complex indirect transfer.

The PM may need to coordinate the license transfer review with NMSS. NMSS has responsibility for (1) facilities that are in SAFSTOR, (2) facilities that have been transferred to NMSS in accordance with NRR Office Instruction COM-101, "NRR Interfaces with NMSS," and a "Transfer of Project Management Responsibilities" memorandum has been signed, and (3) ISFSIs that received a specific license. NMSS review and approval is not required for an ISFSI authorized under the general license provisions of Subpart K to 10 CFR Part 72. License transfer reviews may include a permanently shut down facility and almost all license transfer reviews include an ISFSI. The NMSS Office Director, or designee, will need to approve and sign any orders associated with facilities under the responsibility of NMSS. When a license transfer falls under the responsibilities of both NMSS and NRR, the DORL PM typically takes the lead and prepares the SE, order, and conforming amendment. If required, NMSS will prepare the amended license for the ISFSI. The NMSS Office Director, or designee, co-signs the order consenting to the license transfer, signs the applicable conforming amendment(s) and the amended license for the ISFSI if the ISFSI has a specific license.

Most license transfer requests include proprietary financial or commercial information, along with an affidavit requesting that the information be withheld from public disclosure under 10 CFR 2.390. The PM must coordinate (usually with the financial analyst) the review of the information requested to be withheld to determine whether the staff agrees that the information should be withheld. The PM and technical staff should refer to NRR Office Instruction LIC-204, "Handling Requests to Withhold Proprietary Information from

Public Disclosure,” for specific guidance. The PM must be aware that the proprietary information may need to be withheld from some of the co-applicants in addition to the general public. The PM must issue a proprietary information determination letter for the proprietary material.

In accordance with the RPS – Licensing/WM software, the PM must request a Cost Activity Code (CAC) for each unit involved. The PM must also confirm that the application is in ADAMS, and that the proprietary and non-proprietary information have been properly profiled.

Working with the NRR Web Services, the PM will request that a non-proprietary copy of the application be placed on the NRC public Web site (a license transfer and merger Web page is available for posting of these documents) in accordance with 10 CFR 2.1301 and 2.1303. The PM should send an e-mail message to NRRWebServices.Resource@nrc.gov and request that information regarding the proposed license transfer be noticed at <http://www.nrc.gov/about-nrc/regulatory/adjudicatory/hearing-license-applications.html#change>, “Notice of Ownership Change.” The PM will need to provide NRR Web Services with the exact information to be included (i.e., 1) Deadline for Filing Hearing Request, 2) Facility and Location, 3) Applicant, 4) Licensing Action, 5) ADAMS Accession Number, and 6) Contact). In addition to the application and any associated requests, the PM will request that NRR Web Services also add to the NRC public Web site Commission correspondence with the applicant related to the application, *FR* notices, the staff’s SE, the staff’s order acting on the license transfer application and, if a hearing is held, the hearing record and decision. Once the staff has completed all actions associated with the license transfer, the PM should contact NRR Web Services to request that the notice be removed from the NRC’s public Web page.

Using the templates for the transmittal letter and the individual *FR* notice (ADAMS Accession Nos. ML082130259 and ML14022A036, respectively) for direct/indirect license transfers (also available in the list of “DORL Master Boilerplates” located on the DORL home page, <http://fusion.nrc.gov/nrr/team/dorl/default.aspx>), the PM shall process the *FR* notice. The notice must be reviewed and concurred on by OGC. The notice will state that following publication in the *FR*, stakeholders will be permitted to (1) provide comments within 30 days, and (2) request a hearing within 20 days. The PM should be aware that the *FR* notice directs anyone seeking access to the proprietary, confidential information redacted from the publicly available version of the application (typically the proprietary financial projections) to the applicant as opposed to the NRC.

As stated in 10 CFR 2.1315, the Commission has determined that any conforming amendment that only reflects the license transfer action involves no significant hazards consideration. Therefore, such a conforming amendment for a license transfer does not need to be included in the biweekly notice (i.e., BWN) in the *FR*.

The license to be transferred may also reference other licenses that were issued under Parts 30, 40, 70, and/or 72. If that is the case, the PM should coordinate with the offices issuing those licenses so that all transfers are accomplished in parallel and smoothly.

Occasionally, the applicant may request approval of other changes such as a Quality Assurance Plan that must be scheduled to be issued with the transfer order.

The PM shall verify that a copy of the license transfer application was received by the State representative.

The PM needs to be aware of any changes that may need to be made to the indemnity agreement. The Price-Anderson Act (Section 170 of the Atomic Energy Act of 1954, as amended) and the NRC's regulations at 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," and 10 CFR 50.54(w), "Conditions of licenses," require that the plant owner(s) maintain sufficient levels of insurance and that the indemnity agreement reflect the current plant ownership.

Direct license transfers require a change to a licensee's indemnity agreement. The indemnity agreement is updated through PFPB and an advance copy is provided to the PM for licensees to examine for completeness. After the licensees agree to or provide comments on the content of the indemnity agreement, the PM should notify PFPB for further processing. The final copies are forwarded to the PM with signatures from the branch chief of PFPB. Once the order has been issued approving the license transfer, the PM should send out all original signed copies of the indemnity agreement to the licensees for signature. The indemnity agreement(s) should be signed by all licensees concurrently with the issuance of the conforming license amendments upon the consummation of the license transfer action. After the indemnity agreement has all required signatures, one copy should be retained by each licensee for their records and one copy should be sent back to the NRC. A signed copy should be received back to the NRC within 7 days following the consummation of the license transfer action.

Each of the 10 items listed below are distinct sections of the SE for review of a license transfer application. The financial analyst is responsible for producing the content for sections A, B, C, D, and F below. Also, the financial analyst provides input to section J, but not necessarily all of its content. The technical qualifications reviewer is responsible for producing the content for section E while the remaining sections are provided by the PM.

- A. Financial Qualifications
- B. Decommissioning Funding Assurance
- C. Antitrust (special attention must be given if the license contains antitrust conditions; see NUREG-1574, Revision 2)
- D. Foreign Ownership, Control, or Domination
- E. Technical Qualifications
- F. Insurance and Indemnity
- G. Conforming Amendment

H. State Consultation

I. Environmental Consideration

J. Conclusion

The financial analyst is responsible for collaboration with the assigned OGC attorney to ensure that all aspects of the financial review are identified, that the scope and content of the evaluation is sufficient, and that any unique financial instruments, license conditions, and indemnity agreement changes are identified. The financial analyst is also responsible for keeping the PM informed and involved in the process. The PM need not be present for every interaction between the financial analyst and OGC. However, the financial analyst needs to keep the PM informed of issues that will require additional information, as well as any significant impact on the overall review schedule.

When preparing an SE, the financial analyst may need to request additional information from the applicant in order to clarify a particular item and complete the review. A request for additional information (RAI) will follow the guidance included in LIC-101. Since requests for license transfers generally involve strict deadlines due to time sensitive financial implications, the financial analyst should attempt to identify any necessary RAIs as soon as possible during the review. Unlike routine RAIs for licensing actions, RAIs associated with license transfers should include OGC review and/or concurrence. The PM should discuss the need for concurrence with OGC before issuing the RAI. Also, since requests for license transfers more often than not contain proprietary information, the resulting staff RAI may also contain proprietary information. Therefore, the PM should discuss the RAI with the applicant before formally issuing the RAI to ensure that any proprietary information is identified and handled appropriately.

The technical qualifications reviewer will review the application using the relevant sections of Chapter 13, "Conduct of Operations," of NUREG-0800, "Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants," regarding the conduct of operations to determine whether the plant staffing and management are acceptable to support the technical qualifications of the proposed new operator or the existing operator under the proposed new owner.

License transfers meet the eligibility criterion for categorical exclusion set forth in 10 CFR 51.22(c)(21). Therefore, pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment needs to be prepared in connection with the approval of the license transfer or any associated conforming amendments. This finding should be included in the Environmental Consideration section of the SE.

After receipt of SE inputs documenting the results of the technical and financial reviews, the PM prepares the order, the final SE, and the conforming license amendment if required. Templates for the preparation of a direct transfer order, conforming amendment, and SE are available in ADAMS at Accession Nos. ML090500005 and ML090500022. Templates for the preparation of an indirect transfer order and SE are available in ADAMS at Accession Nos. ML090500028 and ML090500026. The SE is

typically prepared in both proprietary and non-proprietary versions. Guidance on the treatment of proprietary information and the NRC's procedures for handling sensitive unclassified non-safeguards information is provided in NRR Office Instruction LIC-204. Any public comments received as a result of the *FR* notice are to be addressed in the SE. Note that it is current practice to have a technical editor review and concur on any document that is to be signed by the NRR Office Director. Thus, the PM may need to forward the draft order to QTE Resource and request that a technical editor review and edit the document. Changes from the tech editor should be incorporated before the document is sent to OGC for concurrence.

The staff's SE will often impose specific conditions on the approval of the license transfer. The PM should ensure that the conditions described in the SE are accurately reflected in the order.

The licensing assistant is responsible for reviewing all license transfer related documents in accordance with the guidance document "DORL Licensing Assistant Review (for Most Documents)" (ADAMS Accession No. ML15352A155), and NRR Office Instruction LIC-101. The licensing assistant will ensure correct usage of noticing templates, and check www.regulations.gov to determine if there were any public comments received. The licensing assistant will review changes to the license if a conforming amendment is involved against the application/supplements and the current license, and assign an amendment number, if needed, for a conforming amendment. In addition, the licensing assistant will perform a final quality and proprietary information check prior to issuance. If the approved license transfer is consummated, the licensing assistant may have additional follow-up activities to ensure that the amended license (if any) is updated in the ADAMS authority file and that any organizational name changes from the conforming amendments are reflected in the plant's boilerplates, and associated NRC Web pages and plant rosters.

Caution: If the package will be forwarded to the NRR Office Director for signature, it is expected that a second licensing assistant perform a peer review of the package before it is sent to the NRR Office Director. It is recommended that this step be performed after the DORL Division Director review so that all changes made during the concurrence process are reviewed. The DORL PM should request the licensing assistant peer review through their respective branch chief.

If a conforming amendment is issued, the PM will prepare a biweekly notice of issuance of conforming amendments (i.e., BWI) in the *FR* using the DORL template found at ML16166A006.

Typically, there are licensing requests made by the previous license holder that are pending at the time that the conforming amendment is issued. If the new license holder wants the staff to continue work on those licensing requests, the new license holder must submit a letter on the docket on the date of issuance of the conforming amendment or shortly thereafter. The letter must state that the new licensee "adopts and endorses" all outstanding items on the docket, including, but not limited to, requests for license

amendments, exemptions, relief requests, etc. The letter needs to be submitted under oath or affirmation.

The package should have concurrence through the Director, DORL or DLP, before it is sent for final OGC concurrence. Concurrence by OGC will be finalized just prior to the package being presented to the approving official (Office or Division Director, as appropriate). Orders for direct transfers are signed according to the delegation authority of ADM-200. The signature of the NMSS Office Director may be needed if the transfer involves an ISFSI or other NMSS license.

The PM will discuss the need for a communication plan with DORL, DLP, and Regional management. If it is determined that a communication plan is needed, the PM will prepare the plan. The Office of Public Affairs in both headquarters and the Region must be notified at least 3 days before issuance. The Office of Public Affairs may prepare a press release to coincide with release of an order.

If there has been a request for a hearing, it should be addressed in the SE and the order. In the case of a hearing, the Commission will be the "Presiding Officer," unless it designates otherwise. If the Commission remains as the Presiding Officer, the Office of Commission Appellate Adjudication may contact the staff for assistance or information in their role of supporting the Commission as long as the staff does not become a party to the proceeding. If the staff is prepared to issue the order while a hearing request or hearing is pending, the PM must prepare a Notice of Significant Licensing Action (NSLA), prior to issuance of the order, to the Commission and to other NRC offices informing them of the intended issuance of the order approving the license transfer. A copy of the proposed NSLA is included with the package when it is sent to OGC for final concurrence. The NSLA is not made publicly available. Guidance and a template regarding NSLAs are available in an NRR memorandum dated December 13, 2000 (ADAMS Accession No. ML003779315). The NSLA template is also available in ADAMS at Accession No. ML15113A963. [Note: In the rare situation where a hearing request is made subsequent to issuance of the order but prior to issuance of a conforming amendment for a direct license transfer, the PM should use the NSLA template found at ADAMS Accession No. ML15113A797 for the proposed issuance of a conforming amendment.]

The NSLA must be concurred upon by the Director of NRR and the Executive Director for Operations. After the Executive Director for Operations concurs, and at least 5 work days before the proposed issuance of the order, the NSLA should be dated and sent to the Commission. The PM should inform OGC of the transmission of the NSLA to the Commission so that OGC can notify the Presiding Officer and the parties to any proceeding of this communication, as appropriate. After 5 work days, if no communication to the contrary has been received from the Commission, the PM should contact the Office of the Executive Director of Operations to confirm that the Commission does not object to the staff's proposed action. If there is no objection, the order can be issued. The PM should inform OGC of the issuance of the order so that OGC can notify the Presiding Officer and the parties to any proceeding of this action, as appropriate.

7. **PERFORMANCE MEASURES**

No performance measures for this office instruction have been developed at this time.

8. **PRIMARY CONTACTS**

Tanya E. Hood	Richard V. Guzman
NRR/DORL/LPL1	NRR/DORL/LPL1
301-415-1387	301-415-1030
Tanya.Hood@nrc.gov	Richard.Guzman@nrc.gov

9. **RESPONSIBLE ORGANIZATION**

NRR/DORL

10. **EFFECTIVE DATE**

June 5, 2017

11. **REFERENCES**

1. *Code of Federal Regulations*, Title 10, Section 50.80, "Transfer of licenses."
2. *Code of Federal Regulations*, Title 10, Section 50.90, "Application for amendment of license, construction permit, or early site permit."
3. NUREG-1577, Revision 1, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance."
4. NUREG-1574, Revision 2, "Standard Review Plan on Transfer and Amendment of Antitrust License Conditions and Antitrust Enforcement."
5. NUREG-0800, "Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants," Chapter 13, "Conduct of Operations," Section 13.1.1, Revision 6, August 2016, and Sections 13.1.2 and 13.1.3, Revision 7, August 2016.

Enclosures:

1. Appendix A - Change History
2. Appendix B – Checklist

Appendix A - Change History**Office Instruction LIC-107, Revision 2
Procedures for Handling License Transfers**

LIC-107 Change History			
Revision Date	Description of Changes	Method Used to Announce & Distribute	Training
03/21/2002	This office instruction discusses procedures for handling direct or indirect license transfer requests in accordance with 10 CFR 50.80.	E-mail to NRR staff	None
11/22/2008	Revision to increase level of detail, reflect organizational and editorial changes, and include research and test reactors within the instruction scope.	E-mail to NRR staff	None
05/30/2017	Revision 2 reflects the elimination of the Office of Federal and State Materials and Environmental Management Programs (FSME); additional responsibilities for the Office of Nuclear Material Safety and Safeguards (NMSS); additional guidance on indemnity agreements; additional guidance for the licensing assistants to ensure that the conforming amendment is updated in the ADAMS authority file and that any organizational name changes are reflected in the plant's boilerplates, associated NRC Web pages and plant rosters; organizational changes; the availability of updated boilerplates in ADAMS; and miscellaneous editorial changes and clarifications.	E-mail to NRR staff	None

Enclosure 1

ND_003491

Appendix B - Checklist

Office Instruction LIC-107, Revision 2 Procedures for Handling License Transfers

This checklist is meant as an aid to PMs in handling license transfer orders and conforming amendments. As such, it is a document that accompanies NRR Office Instruction LIC-107, "Procedures for Handling License Transfers." This checklist does not replace or negate the need to understand the responsibilities and actions required in this office instruction. It should be used in conjunction with the office instruction to assist the PM with planning the work involved in processing and issuing the order, SE, conforming amendment, and other associated documents and to ensure that nothing is inadvertently overlooked. The PM must refer to the details in the office instruction to fully address the scope of actions in the checklist.

FRONT-END ACTIONS OR QUESTIONS

Shortly after receipt of the application from the licensee or applicant, the PM should address the following questions and take appropriate actions:

- (1) Does the application meet all pertinent regulatory requirements for submission of an application?

☐ Yes ☐ No

"Any person" may submit an application for license transfer, provided that the application can be supported by "a written consent from the existing licensee, or a certified copy of an order or judgment of a court of competent jurisdiction attesting to the person's right ... to possession of the facility or site involved" (10 CFR 50.80). Such an application must be executed in a signed original by a duly authorized officer under oath or affirmation (10 CFR 50.30) and addressed to the NRC Document Control Desk (10 CFR 50.4). For additional guidance regarding oath or affirmation, and an alternate method to meet this requirement, see Regulatory Issue Summary 2001-18 (ADAMS Accession No. ML010990211). The PM should discuss with the licensee remedial actions if any of these requirements are not met.

- (2) Is the transfer direct or indirect?

☐ Direct ☐ Indirect

Did the application request a conforming amendment?

☐ Yes ☐ No

A direct transfer involves a new licensee, and most likely would need a name change in the license (i.e., the application should include an application for a conforming amendment to reflect the new licensee name). On the other hand, an indirect transfer may involve a change in the parent or holding company of the current licensee, and may not need anything changed in the current operating license. If in doubt, consult with OGC and discuss with the licensee.

In terms of work planning, a separate CAC number may be needed for the conforming amendment if the target date for consummation of the transfer is significantly later than that for the order.

Enclosure 2

- 2 -

- (3) Does the application include "as much of the information described in §§ 50.33 and 50.34 of this part with respect to the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license"?

☐ Yes ☐ No

At this early stage of review, the PM should discuss the acceptance review for sufficiency of information to begin the review with the responsible technical branches. The PM should refer to NRR Office Instruction LIC-109, "Acceptance Review Procedures," for guidance. The PM should promptly communicate with the licensee if any deficiency is identified.

- (4) Is a copy of the publicly available version of the application placed on the NRC public Web site? ☐ Yes ☐ No

This requirement is stated in 10 CFR 2.1301. Per 10 CFR 2.1303, unless exempt from disclosure under 10 CFR Part 9, the following documents should also be placed on the NRC public Web site: (a) correspondence to and from the applicant or licensee related to the application, (b) *FR* notices, (c) NRC staff safety evaluations, (d) NRC staff order, and (e) if a hearing is held, hearing records and decision.

- (5) If the plant site houses an independent spent fuel storage installation (ISFSI) with a specific license, did the application also address transfer of the ISFSI?

☐ Yes ☐ No

The PM needs to discuss this with NMSS to understand its scope of review as it relates to NRR's review, and agree on target dates. If the application makes no mention of the ISFSI with a specific license, the PM should immediately discuss with the licensee and NMSS about the omission.

- (6) Has OGC been informed of the application and provided copies? ☐ Yes ☐ No

License transfer reviews are mostly concerned with legal and financial matters. Accordingly, OGC should be involved from the start of the acceptance review. The assigned OGC attorney normally keeps in touch with attorneys representing the applicant and/or the licensee, the NRR financial reviewer(s), and the PM during the review. Note that OGC must concur on all correspondence from the staff including *FR* notices and may also need to concur on requests for additional information, particularly when a hearing has been requested.

- (7) Is public notification prepared and issued? ☐ Yes ☐ No

The regulations at 10 CFR 50.80 requires the NRC staff to issue an "appropriate notice to interested persons, including the existing licensee." This notice is to be published in the *FR* (see template at ADAMS Accession No. ML14022A036). The notice will (1) describe the proposed transfer; (2) announce that requests for a hearing must be filed within 20 days; (3) announce that written comments must be filed within 30 days per

- 3 -

10 CFR 2.1305, (4) declare that, per 10 CFR 2.1315, and unless otherwise determined by the Commission, the conforming amendment to be issued involves no significant hazards consideration (NSHC) and no comments on the NSHC determination are solicited from the public; and (5) state that the comment procedures contained in 10 CFR 2.1305 apply. The PM should make sure that the *FR* notice directs anyone seeking access to the proprietary, confidential information redacted from the publicly available version of the application (typically the proprietary financial projections) to the applicant as opposed to the NRC.

If the applicant determined that a conforming amendment is needed, it would apply for it under 10 CFR 50.90. Under such circumstance, 10 CFR 50.91 requires the applicant to provide an NSHC analysis. The NRC staff, however, does not need to publish an NSHC evaluation because 10 CFR 2.1315 has generically determined that a conforming amendment involves NSHC; this is so stated in the NRC staff's *FR* notice regarding the proposed license transfer.

Per 10 CFR 2.309(b)(1), the *FR* notice will specify a date, 20 days from publication, on or before which hearing requests and intervention petitions must be filed.

- (8) Does the application propose an issuance date for the order and conforming amendment?

☐ Yes ☐ No

Some applications are very specific in this regard, while others only provide a general target date because the applicant/licensee may still be undergoing financial negotiations and seeking approval from other governmental bodies. License transfers typically involve significant time-sensitive financial implications (e.g., the fuel in a reactor core is worth tens of thousands of dollars less after each day of burnup). The NRC staff's failure to approve the transfer on the date the application specifies could mean significant financial penalty, or significant re-work of the financial arrangements. Thus, it is incumbent upon the PM to ensure that the NRR technical review branches, NMSS, and OGC all aim their review schedule using the same target date.

- (9) What should be done about environmental considerations?

There is no statutory or regulatory requirement for an environmental impact statement or environmental assessment for the order and conforming amendment. The regulation at 10 CFR 51.22(c)(21) provides that approvals of direct or indirect license transfers and any associated conforming amendments are categorically excluded from environmental review. The "Environmental Considerations" section of the SE should cite this regulation.

- (10) Does the application indicate that a copy has been sent to the designated State official?

☐ Yes ☐ No

This requirement is specified in 10 CFR 50.91(b)(1) regarding amendments. Specifically, the licensee should have sent a copy of the application to the designated State official.

ND_003494

- 4 -

- (11) Does the application contain proprietary information? ☐ Yes ☐ No

License transfer applications usually contain proprietary information. The NRC staff should follow the guidance of NRR Office Instruction LIC-204. In the context of a proposed license transfer order and conforming amendment, the staff needs to be cautious in its day-to-day activities (e.g., issuance of formal or draft correspondence) such that proprietary information is not inadvertently released. The PM should be cognizant that one party in the transaction may be withholding certain information from another party. This is typical for financial projections when each entity is in competition in the same power market area. Note that proprietary information may be as simple as a number (e.g., dollar amounts), a word, or a single phrase. Inadvertent release of proprietary information is reportable to the Inspector General and the Executive Director for Operations (see Management Directive 3.4, section on "Inadvertent Release of Information").

WORK PLANNING

License transfers typically involve significant time-sensitive financial implications (e.g., the fuel in a reactor core is worth tens of thousands dollars less after each day of burnup). The NRC staff's failure to approve the transfer on the date the application specifies could mean significant financial penalty, or significant re-work of the financial arrangements.

- (1) Through RPS - Licensing/WM software, assign PFPB to complete the financial qualifications review. PFPB reviews the financial qualifications of the proposed owner and operator (if different from the owner).

If the entity that will become the operator is different from the entity that will become the owner, the financial qualification for both entities needs to be assessed. While the exact same type of financial review done for an owner is not applicable for the operator, PFPB still needs to review a combination of the financial qualifications of the owner (assuming it is ultimately responsible for costs) with the analysis of the contract between the owner and the operator regarding the payment of costs. See the Commission ruling on the Northern States Power Company/Monticello case, CLI-00-14, 52 NRC 37 (2000), and the companion case, CLI-00-19, 52 NRC 135 (2000).

☐ Yes ☐ No

- (2) Through RPS - Licensing/WM software, assign the Operations and Human Factors Branch to complete the technical qualifications review.

☐ Yes ☐ No

- (3) Does the plant site include an ISFSI, under a specific or general license, which would be transferred at the same time?

☐ Yes ☐ No

If the ISFSI received a specific license as opposed to authorization under the general license provisions of Subpart K to 10 CFR Part 72, the NMSS Office Director, or

ND_003495

- 5 -

designee, must sign the order consenting to the license transfer and the amended ISFSI license. The DORL PM should also confirm that NMSS will revise the ISFSI license as appropriate.

- (4) Are the SE target dates supportive of the proposed date of consummation of the transfer?

☐ Yes ☐ No

PRE-ISSUANCE OBLIGATIONS FOR THE ORDER

- (1) Has the 20-day period (i.e., the period for requesting a hearing) required by 10 CFR 2.309(b)(1) passed since publication of the notice in the *FR*? ☐ Yes ☐ No

- (2) Any comments from the public or State government? ☐ Yes ☐ No

Per 10 CFR 2.1305, as an alternative to requests for hearings and petition to intervene, persons may submit written comments regarding license transfer applications. The NRC will consider and, if appropriate, respond to these comments, but these comments do not otherwise constitute part of the decisional record.

- (3) Are all of the applicant's submittals (i.e., original application and any supplemental information) submitted under oath or affirmation, and docketed in ADAMS?

☐ Yes ☐ No

- (4) Has the PM issued a letter to determine withholding from public disclosure for each applicant submittal containing proprietary information?

☐ Yes ☐ No

The applicant's submittals typically contain proprietary information of financial nature (i.e., dollar amounts). The PM should suspect that any formal or informal communication with the applicant may likewise contain proprietary information, and handle them accordingly.

- (5) If a hearing has been requested and the hearing will not be completed before issuance of the order, did the PM prepare an NSLA to inform the Commission of the imminent issuance of the order?

☐ Yes ☐ No

If there is an ongoing or pending hearing, it should be so noted in the SE and the order. Before issuance of the order, the PM prepares an NSLA to inform the Commission of the imminent issuance of the order. The PM should inform OGC when the NSLA is transmitted to the Commission.

- 6 -

- (6) Did the PM discuss with management and the Regional office about the need for a communication plan?

☐ Yes ☐ No

There is no regulatory requirement or guidance that specifies a communication plan. The need for such would be determined by the level of public interest in the proposed license transfer or the plant itself (e.g., requests for intervention, public comments, State government comments, media interest, etc.).

- (7) Did the proposed new licensee provide a letter to the NRC stating that it has the required insurance?

☐ Yes ☐ No

This letter is needed before PFPB can issue an amendment to the indemnity agreement to reflect the name of the new licensee.

- (8) Has PFPB prepared an amended or new indemnity agreement?

☐ Yes ☐ No

An indemnity agreement is required to reflect the ownership of the facility. Therefore, a direct license transfer typically requires an amended or new indemnity agreement that is issued concurrent with the conforming amendment(s) upon the consummation of the license transfer action. The indemnity agreement for an indirect license transfer is generally unchanged.

- (9) Did the licensee/applicant send a letter to the NRC to indicate the date the transaction will be consummated?

☐ Yes ☐ No

The conforming amendment is to be issued on that day, not before and not after.

- (10) Did the new licensee send a letter to the NRC to identify all the ongoing reviews (amendments, exemptions, relief requests, etc.), and request the NRC to continue its review of those actions?

☐ Yes ☐ No

This letter is needed because those actions were requested by the prior licensee, and the NRC has no reason to continue its review unless the new licensee "adopts and endorses" the outstanding items on the docket. Since some of the ongoing reviews (e.g., amendments) were requested by the prior licensee under oath or affirmation, the new licensee's "adoption" letter must also be under oath or affirmation, or equivalent.

PREPARATION OF CONFORMING AMENDMENT

Issuing the conforming amendment is essentially done the same way as issuing a regular amendment, except that the package contains no SE because the conforming amendment is referenced and approved as part of the order consenting to the license transfer. In addition, the

- 7 -

amendment package contains a biweekly notice of issuance of conforming amendments (template at ADAMS Accession No. ML16166A006).

The conforming amendment, the amended or new indemnity agreement, the amended ISFSI license, if applicable, and biweekly notice of issuance are issued on the day the license transfer transaction is consummated and after receipt of notification from the licensee confirming the transaction. This is necessary because if it is issued before, the new licensee name may invalidate the operating license for the current and exiting licensee, and if it is issued afterwards, the new licensee would have no authorization to operate under the old license.

- (1) Does the conforming amendment package include an amendment to the indemnity agreement (prepared by PFPB) for the new licensee?
☐ Yes ☐ No
- (2) Did the PM inform the NRR Director, who is the signer of the conforming amendment, that the conforming amendment is identical to the draft issued with the order, or that minor changes had been made?
☐ Yes ☐ No

ND_003498

DEPOSITION EXHIBIT

82

To: Christopher C. Chandler (ccchandler0@tva.gov)[ccchandler0@tva.gov]
Cc: bill@wrnccollum.com[bill@wrnccollum.com]
From: Matthews, Timothy P.[timothy.matthews@morganlewis.com]
Sent: Tue 11/13/2018 10:18:31 PM (UTC)
Subject: Nuclear Development' Bellefonte CP Transfer Request
11-13 LTA (non-proprietary).pdf

Chris,
Please see the attached courtesy copy of the non-proprietary version of the 10 CFR 50.80 consent request filed through EIE today. ADAMS Accession numbers for the filing are as follows:

- Proprietary: ML18317A400
- Non-Proprietary: ML18317A401

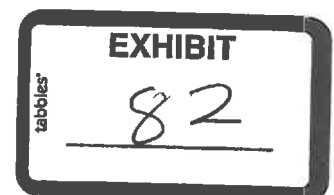
Other distributions are being made by overnight mail. If you have questions please contact me.

If you have questions please contact me.
Regards,
Tim

Timothy P. Matthews
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW | Washington, DC 20004-2541
Direct: +1.202.739.5527 | Main: +1.202.739.3000 | Fax: +1.202.739.3001
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ND_004760

~~INCLUDES CONFIDENTIAL INFORMATION—WITHHOLD UNDER 10 CFR 2.390~~
Unrestricted Upon Removal of Enclosure 4P

Nuclear Development, LLC

3 Bethesda Metro Center
Suite 515
Bethesda, MD 20814

November 13, 2018

10 CFR 50.80
10 CFR 50.90

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

Subject: Application for Order Approving Construction Permit Transfers and
Conforming Administrative Construction Permit Amendments

Bellefonte Nuclear Plant, Units 1 and 2
Construction Permits Nos. CPPR-122 and CPPR-123
NRC Docket Nos. 50-438 and 50-439

In accordance with Section 184 of the Atomic Energy Act, 10 CFR 50.80, and the Commission Policy Statement on Deferred Plants, 52 *Federal Register* 38077, Oct. 14, 1987 ("Deferred Plants Policy"), Nuclear Development LLC ("Nuclear Development") hereby submits the enclosed application ("Application") requesting that the U.S. Nuclear Regulatory Commission ("NRC") consent to the transfer of Construction Permit Nos. CPPR-122 and CPPR-123 (the "Permits") for the Bellefonte Nuclear Plant, Units 1 and 2 ("Bellefonte Units") now held by the Tennessee Valley Authority ("TVA") to Nuclear Development. Nuclear Development also requests that the NRC issue the conforming administrative amendments described in the Application and amend the Permits to reflect the revised construction completion dates discussed therein. To the extent the NRC does not have sufficient time to decide substantively on the matters requested in the Application prior to closing of the asset transfer, Nuclear Development requests that the NRC hold the Permits in terminated plant (but unexpired and not withdrawn) status, consistent with the Section III.B of the Deferred Plants Policy, until such time as the Commission has reached its determination on these requests.

Nuclear Development is a special purpose entity owned by Mr. and Mrs. Franklin L. Haney and trusts for members of their family. In 1967, Mr. Haney founded the Franklin L. Haney Company, LLC, a highly-successful, privately-held real estate and property development company with headquarters in Chattanooga, TN and Washington, DC. The Franklin L. Haney Company has more than 40 years of experience in project development and a development portfolio of more than \$10 billion. Its model for success has included engaging partners with project-related expertise, as with the Dulles Greenway Toll Road project. Additional information about Nuclear Development is contained in the Application.

ND_004761

U.S. Nuclear Regulatory Commission
November 13, 2018
Page 2

As noted by TVA in its March 31, 2017 letter, Nuclear Development was the successful bidder in an auction for the plant conducted by TVA in November of 2016. Under the terms of the Purchase and Sale Agreement as amended, (enclosed with the Application as Attachment 1), Nuclear Development plans to purchase from TVA the Bellefonte Purchased Assets, including certain real property, material equipment, machinery, tools, other tangible property, books and records (including permitting, quality assurance, maintenance and other records related to design, construction or operation of the Units), certain agreements and obligations, and subject to all applicable law, all permits, and authorizations, including the Permits that are the subject of this Application. As amended, the current agreement with TVA would require closing of the asset transfer by November 30, 2018. However, the parties may agree to a further extension.

Nuclear Development's business objectives are to obtain the appropriate authority to safely complete high quality construction of Units 1 and 2, reactivate the docketed Operating License Application, begin commercial operation, and sell clean, safe, reliable power from the plants in the regional wholesale market. Toward those objectives, Nuclear Development has begun a methodical, stepwise approach to this project, including identifying leaders in the nuclear industry to augment its core team to better develop a regulatory roadmap, ensure appropriate oversight of quality and safety, plan construction methods and reliably estimate costs, solicit interest of potential power customers, and pursue available financial incentives that make private sector pursuit of a project of this magnitude achievable and economical. It has made substantial progress on all of these fronts and expects to proceed with the purchase as planned. Nuclear Development approaches this project with an appreciation for the safety significance of the approvals it is requesting and an appreciation for its responsibilities to provide the NRC the requisite bases for the supporting findings the agency must make before granting each requested approval in sequence.

Both Bellefonte Units are currently in Deferred Plant Status. In 2011, NRC extended the construction date for Unit 1 to October 1, 2020. In 2014, TVA requested an extension of the completion date for Unit 2. On March 31, 2017, TVA provided an update on that extension request noting the continuing timely renewal status of that application under 10 CFR § 2.109 and informing NRC of the planned sale of the Bellefonte Units to Nuclear Development. This update also deferred action regarding a revised construction completion date to interaction between NRC and Nuclear Development. Thus, Unit 2 remains in timely renewal status. The enclosed Application provides the basis for and requests updated construction completion dates for both units, *i.e.*, October 1, 2029 for Unit 1, and October 1, 2030 for Unit 2.

Nuclear Development recognizes that Section 185 of the Atomic Energy Act and NRC regulations at 10 CFR 50.10(c) require that a company hold a Construction Permit before performing licensed construction, subject to any other regulatory restrictions. Nuclear Development plans to close on the acquisition of the Bellefonte Units (and related Purchased Assets), but undertake no licensed construction activities unless and until the NRC grants the authority requested in this Application. Nuclear Development is guided in this approach by the considerations explained in Section III.B.2 of the Deferred Plant Policy related to transfers of plants in deferred or terminated construction status, and whose Construction Permits have not been withdrawn by the NRC. Once the Permits have been transferred, Nuclear Development plans to continue only the status quo physical preservation, security and safety activities now being conducted by TVA. The Application describes Nuclear Development's plans for oversight of these site preservation, security and safety activities in the interim period and following Permit transfer and before restarting licensed construction, during which they will no longer be subject to